Sequent
Proven Ability In Life Sciences

ALIVIRA

AMBITION

EXECUTION

SeQuent Scientific Limited

ANNUAL REPORT 2018-19

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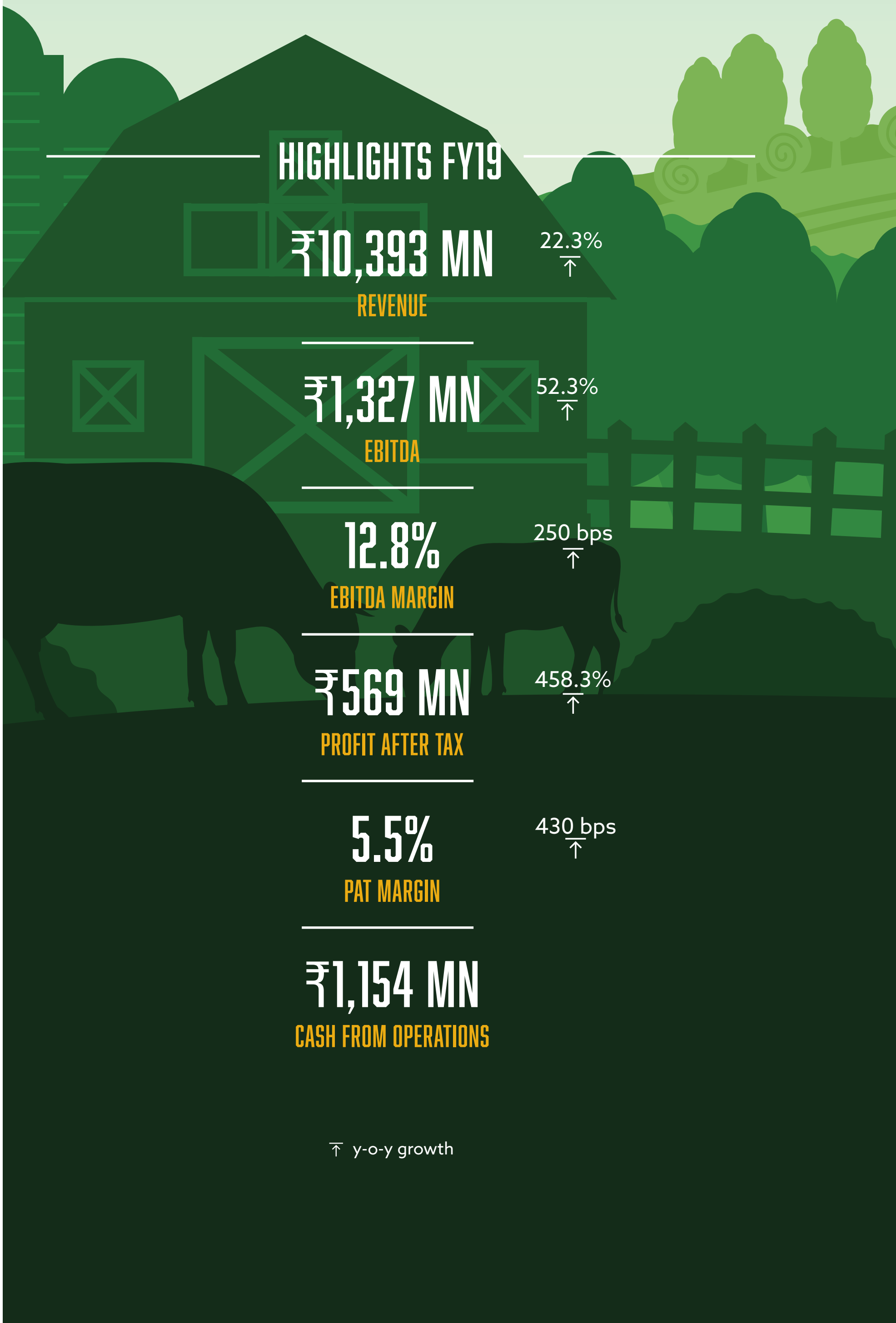
"Our overall growth was fuelled by execution excellence across both APIs and formulations. We have significantly scaled up our capabilities during the reporting year, with the addition of an injectable manufacturing facility in EU, an EU GMP approved API facility in India and expanding our formulations and API R&D capabilities.

With the twin levers of scale and operating efficiencies playing out, our return ratios have improved, resulting in robust operational cashflow. With a differentiated strategy, favourable environment and robust fundamentals, we are well on course to create sustainable value for our stakeholders."

Manish Gupta, Managing Director



HIGHLIGHTS FY19

₹10,393 MN
REVENUE
22.3% ↑

₹1,327 MN
EBITDA
52.3% ↑

12.8%
EBITDA MARGIN
250 bps ↑

₹569 MN
PROFIT AFTER TAX
458.3% ↑

5.5%
PAT MARGIN
430 bps ↑

₹1,154 MN
CASH FROM OPERATIONS

↑ y-o-y growth

THE NICHE GLOBAL ANIMAL HEALTH SECTOR IS WITNESSING EXCITING GROWTH OPPORTUNITIES AND CONSOLIDATION. ON THE ONE HAND, THE OPPORTUNITY LANDSCAPE IS DRIVEN BY POPULATION EXPANSION, INCREASED DEMAND FOR ANIMAL PROTEIN, CHANGING LIFESTYLES AND EVOLVING HABITS. ON THE OTHER HAND, THE CONSOLIDATION IS THE RESULT OF GROWING COMPLIANCE AND COMPLEXITY.

THE PLAYGROUND IS DIFFERENT, BUT THE TRANSFORMATION WILL ONLY BENEFIT THOSE PLAYERS, WHO HAVE RELEVANT GLOBAL SCALE AND MARKET OUTREACH.

OUR DIFFERENTIATED PRODUCTS DRIVEN BY INNOVATION, FAST EXPANDING MARKET COVERAGE AND STRATEGIC CAPACITY BUILDING ENABLE US TO OUTPERFORM THE INDUSTRY.

OUR AMBITION IS TO BE A LEADING PURE-PLAY ANIMAL HEALTH COMPANY IN THE WORLD WITH INTEGRATED, END-TO-END CAPABILITIES.

OUR DISTINCTIVE APPROACH FORMS THE CORE OF OUR EXECUTION PHILOSOPHY

PARAMETER	MARKET DYNAMICS	OUR APPROACH
INDUSTRY SCENARIO	Limited scale 'in-market' local business	We continue to refresh and recalibrate our strategy in tune with evolving industry dynamics
	Customer focused business with emphasis on relationships	Our management team has global expertise and local know-how
	Limited role of patent regime, pricing caps and reduced R&D pressure	We offer differentiated products to remain ahead of the curve
MARKET KNOWHOW	Branded generics market offers promising opportunities for creating brands	A wide range of quality, trusted brands
	No secondary market database, business is built on local knowledge	Use our local expertise to establish strong veterinarian connect
	Complex and distinctive regional requirements	Built a robust, region-specific portfolio with unique propositions
	Veterinary connect is critical including the relationship with the farming community	Established customer-centric, relationship-driven global front-end for last-mile partnership
	Animal health market is fortified by regulatory barriers and FMCG characteristics	Built our presence by conforming to regulatory standards
RESEARCH AND DEVELOPMENT	Few products under patent protection	Pipeline products are balanced between patent expiry molecules, leveraging end to end integration and products with limited competition
	Limited R&D focused on drug delivery and ease of use	Creating differentiated generics through innovation
	Complex regulatory framework, driving disproportionate R&D returns	Global centres of excellence and collaborative R&D harnessing the strengths of East and West

WE HAVE SCALED OUR BUSINESS 4.5X IN FOUR YEARS, WAY AHEAD OF THE INDUSTRY.

ADVANCING AMBITIONS

DELIVERING VALUE

Dear Shareholders,

It gives me great pleasure to present to you SeQuent's Annual Report for FY19, our first full year of operations as a pure-play animal health company, foundations of which were laid over the last four years. The past year gave us an insight into our distinctive business model and the compounding effect of what unbridled 'Ambition' can deliver when supported by powerful 'Execution'. With an annual run rate of US$ 150 million and a presence in 100+ countries, we have emerged as the largest and the first fully integrated global animal health company from India.

We began this journey with a vision of creating a world-class animal health company, and today, this ambition is fulfilled as we ended the financial year with a performance commensurate with our commitment. It is a validation of our unique business model as also our execution capabilities that we have achieved this in a challenging environment of multiple headwinds, including supply chain challenges in the Eurozone, Brexit uncertainty as well as Turkey which suffered both regulatory and currency headwinds for a large part of the year. This has been a year of strong performance wherein our revenue and EBITDA grew by 22% and 52%, respectively, with a 250 bps margin improvement and a 5.6x growth in PAT, fuelled by execution excellence across both APIs and formulations. We have significantly scaled up our capabilities during the financial year with the addition of an injectable manufacturing facility in EU, expanding our formulations, R&D capabilities and commercialisation of two products in the US from our API facility in Vizag. During the financial year, we made five US filings and three CEP filings in an endeavour to scale up the value curve following our global strategy. Our acquisition of EU GMP approved API facility at Mahad, Maharashtra complements our facilities at Vizag and Tarapur, providing us with a comprehensive infrastructure to significantly scale this business in the medium term.

One of the key highlights of this year was the acquisition of Bremer in Germany with a clear focus on shaping our injectables strategy for regulated markets. Bremer is a niche veterinary health company with a focus on cattle and swine segments. Bremer has a portfolio of over 400 registered products across Europe, Far East, MENA, Russia and Africa operating in vitamins, antibiotics and hormones. This acquisition not only consolidates our position in the European market but also completes our extensive manufacturing footprint in EU across injectables, orals, solids, powder range with front-end presence in top 7 of the 10 EU markets.

In my opinion, the Bremer acquisition is a culmination of a journey that started in 2014 when we outlined our vision to create a global animal health company from India through a judicious mix of organic growth and inorganic acquisitions. It was also prudent of our Company to let go of businesses which were not in line with our stated goals. The SeQuent that you see today has metamorphosed from an India-centric, API-led firm serving the unregulated markets to a global animal health company underpinned by a vertically integrated strategy, focus on formulations and worldwide footprint. This transformation has been catalysed by our strategic investments in building our Vizag API facility as well as the inorganic acquisitions across the globe, complemented by the successful integration of these acquisitions. The stage is now set for our Company to focus on superior financial outcomes through relentless execution, and I believe that the same is already visible.

On the formulations front, our business has shown tremendous growth on the back of performance across all geographies. Our growth was driven by improved market shares across key products as also new product introductions. The growth must be seen against the backdrop of headwinds in Turkey where we not only had to grapple with a new measure to control abuse of anti-microbials which impacted sales but also had to take hits due to depreciation in the local currency. I am happy to state that our Turkish facility also received EU GMP during the current year, bolstering our prospects in the regulated markets in the EU region.

The pipeline in the formulation segment looks robust, with over 35 products at various stages of development. This has been the toughest part of our journey given the unique challenges of our industry - absence of IQVIA data for product selection as also relevant human capital in this space. Our target is to make over 20 new filings in the US markets over the next three years. Strategically, we have significantly bolstered our investments in product development programme in formulations, which was launched two years ago, and we are confident that this will be a key growth driver, going forward. We have established strong R&D capabilities in India and Spain which complements our manufacturing footprints in India, Spain, Turkey, Germany and Brazil. To maintain the R&D momentum, we have not only expanded the R&D team in India but also developed capabilities to execute ecotoxicity and bioequivalence studies for animals in India.

The past year gave us an insight into our distinctive business model and the compounding effect of what unbridled 'Ambition' can deliver when supported by powerful 'Execution'.

Furthering our ambition to be amongst the global top ten companies in the coming years, we have strengthened our leadership team by inducting a senior resource for our global injectable business. We should be completing our leadership hiring for the US market shortly. We believe a capable and robust management bandwidth is one of the key determinants of our ability to deliver strong performance as committed and pride ourselves with the global management team that we have built.

I want to thank our employees who have been a key factor contributing to overall growth and hope that their contribution will take our Company to the next orbit. I also wish to thank our investors who have stood by us like a rock while we built our Company brick by brick to what you see today. I would be failing in my duty if I did not thank our valued customers who have been the raison d'etre.

With a differentiated strategy, favourable environment and building blocks aligned, we are well on course to create sustainable value for our stakeholders. The performance in fiscal 2019 and our visibility for the near term give us the confidence to emerge as a global player in the animal health space in the medium term. We believe that relentless Execution is the key driver, and we are confident that we will achieve the ambitious targets we have defined for the next few years.

Warm regards,

Manish

COMPETITIVE EDGE

SCALED-UP CAPABILITIES

WE ARE AN INNOVATIVE, GLOBAL ANIMAL HEALTH FOCUSED COMPANY, MAKING A SIGNIFICANT DIFFERENCE IN WORLDWIDE ECONOMIC PROGRESS AND SOCIAL WELL-BEING.

WE STRIVE HARD TO PROVIDE BEST-IN-CLASS VETERINARY SOLUTIONS TO OUR CUSTOMERS, BECAUSE WHEN THEY THRIVE, WE BENEFIT. WITH STRONG MARKETING FOOTPRINT, A UNIQUE BUSINESS MODEL AND DIFFERENTIATED PRODUCTS THROUGH OUR R&D EXPERTISE, WE ARE REINFORCING OUR PRESENCE IN A LARGE, GROWING AND DIVERSE SECTOR.

WE ARE BUILDING ON OUR STRENGHTS AND DEEP MULTI-MARKET INSIGHT TO FAST-TRACK OUR BUSINESS GROWTH

LARGEST

PUREPLAY ANIMAL HEALTH COMPANY FROM INDIA

8

STATE-OF-THE-ART GLOBAL MANUFACTURING ASSETS IN INDIA, SPAIN, GERMANY, BRAZIL AND TURKEY

1,000+

FINISHED DOSAGE FORMULATIONS ACROSS 12 DOSAGE FORMS

26

COMMERCIAL APIs

100+

COUNTRY PRESENCE

1,400+

MEMBER GLOBAL TEAM

US$ 94 MN

INVESTED IN R&D, MANUFACTURING CAPABILITIES AND BUILDING MARKET PRESENCE OVER THE LAST FIVE YEARS

TOP 10

GLOBAL ANIMAL HEALTH PLAYERS WORK WITH US

INDIA'S ONLY USFDA

APPROVED ANIMAL HEALTH API MANUFACTURING FACILITY (VIZAG)

BROADBASED PORTFOLIO

DIFFERENTIATED SOLUTIONS

WE HAVE EMERGED AS INDIA'S LARGEST AND FIRST, GLOBAL INTEGRATED ANIMAL HEALTH COMPANY SPECIALISING IN MANUFACTURING OF ACTIVE PHARMACEUTICAL INGREDIENTS (API) AND FINISHED DOSAGE FORMULATIONS (FDF).

WE HAVE A STRONG, DIVERSIFIED PRODUCT BASE THAT ADDRESSES THE NEEDS OF A MULTITUDE OF SPECIES WITHIN THE FORMULATION FRONT. OUR THERAPEUTIC SEGMENTS INCLUDE FEED SUPPLEMENTS, ANTIBIOTICS, ANTHELMINTICS, ANTIBACTERIAL, SKINCARE (DERMATOLOGY) PRODUCTS AND DISINFECTANTS WITH MORE PRODUCTS ON THE ANVIL. WE HOLD MARKET-LEADING POSITIONS IN SEGMENTS LIKE INTRA MAMMARIES, SPOT-ON AND POUR-ON. WE ARE WORLD'S LARGEST ANTHELMINTIC API PRODUCER AS WELL AS LARGEST VETERINARY API PRODUCER IN INDIA.

WHAT WE DO

ANIMAL HEALTH API

We are one of the world's leading and largest producers of animal health Active Pharmaceutical Ingredients (APIs). We have emerged as a partner of choice for APIs among top global animal health companies due to the scarcity value that we deliver to our customers, along with high levels of quality, reliability and consistent on-time delivery of products.

- Accelerated momentum in the US with second product commercialisation
- Highest filings among generic animal health companies in the US
- Relationships with global top 10 veterinary companies paying off with ₹ 1 billion revenues clocked in a single quarter
- Reported margin expansion through focus on regulated markets and high-value products
- Fixed asset turn for the business now exceeds 1.9x for the year and we expect the growth momentum to sustain
- Developed new product strategy around patent expiry and market scarcity

₹3,248 MN
API REVENUE

31%+
SHARE IN TOTAL REVENUE

2.4X
GROWTH WITH TOP-5 CUSTOMERS

54%
CONTRIBUTION OF TOP 10 CUSTOMERS TO API SALES

28
FILINGS IN THE US AND EU

USFDA APPROVED VETERINARY API FACILITY

We have a state-of-the-art API manufacturing facility at Vizag with 1,000 MT annual capacity. It has a 225kl reactor capacity with six clean rooms and multi-product capabilities, which comply with the latest Environment, Health and Safety (EHS) regulations. The facility spans 45 acres with significantly enhanced capacities and room for further growth. Being a USFDA as well as an EU GMP approved facility allows us to foray into the US and EU regions - the largest animal health market.

ANIMAL HEALTH FORMULATIONS

We offer a portfolio of strong, diversified products that address the requirements of multiple species. Our product portfolio touches feed, nutritional and pharmaceutical products across various therapy classes and dosage forms.

- Robust growth across geographies, driven by 35+ launches and improved market share, spanning key geographies
- Business in Europe grew by 7.8%
- Launched 18 new products in the EU
- Strengthened leadership team
- Enhanced focus on injectables development and manufacturing at Bremer

₹7,145 MN
FORMULATION REVENUE

69%
SHARE IN TOTAL REVENUE

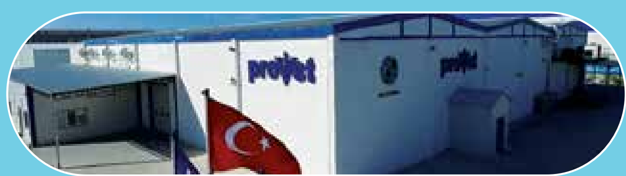
50%+
SALES TO REGULATED MARKETS

35+
PRODUCTS UNDER DEVELOPMENT

35+
NEW PRODUCTS LAUNCHED IN FY19

EU GMP APPROVED TURKEY FACILITY

Our Turkey manufacturing facility at Polatli recently got EU GMP approval. The plant has been previously approved by Turkish GMP and EU GMP approval opens further market opportunities. The approval will enhance our presence enabling larger market share in Turkey and MENA.



GLOBAL REACH

LOCAL INSIGHTS

WE ARE RAMPING UP OUR GLOBAL FOOTPRINT WITH DEEPENING PRESENCE IN 100+ COUNTRIES.

WE HAVE 1,000+ PRODUCTS FOCUSED ON PRODUCTION ANIMALS, HAVING EIGHT STATE-OF-THE-ART MANUFACTURING FACILITIES IN INDIA, GERMANY, TURKEY, SPAIN AND BRAZIL WITH ALL MAJOR REGULATORY APPROVALS.

WE HAVE ALSO SET UP R&D CENTRES IN INDIA, SPAIN, TURKEY AND BRAZIL.

EUROPE
Second largest animal health market in the world

LATAM
Largely dominated by the markets of Brazil and Mexico, accounting for 6.7% of the global animal health business

EMERGING MARKETS
Accounts for 1/4th of the global animal health market

TURKEY
16th largest veterinary market in the world

Among the top 10 ruminant markets

INDIA
Second fastest growing market for animal healthcare

GLOBAL FACILITIES

FORMULATIONS	API	RESEARCH & DEVELOPMENT	ANALYTICAL SERVICES
1 BARCELONA, SPAIN	6 VIZAG, INDIA	A MUMBAI AND VIZAG, INDIA	E MANGALORE, INDIA
2 POLATLI, TURKEY	7 MAHAD, INDIA	B BARCELONA, SPAIN	F BENGALURU, INDIA
3 AMBERNATH, INDIA	8 TARAPUR, INDIA	C POLATLI, TURKEY	
4 CAMPINAS, BRAZIL		D CAMPINAS, BRAZIL	
5 WARBURG, GERMANY			

OPERATIONAL EXCELLENCE

DIVERSE INITIATIVES

FINANCIAL ACHIEVEMENTS

- Significant improvement in annual performance, reporting an EBITDA margin growth of 250 bps and improvement in net profit margins by 430 bps
- Cash generated from operations touched ₹ 1,154 million in FY19 vis-à-vis ₹ 541 million in FY18
- Improved working capital cycle from 107 to 92 days
- Enhanced fixed asset turnover ratio from 0.34 to 0.29
- Net debt to EBITDA improved from 2.81 to 1.85

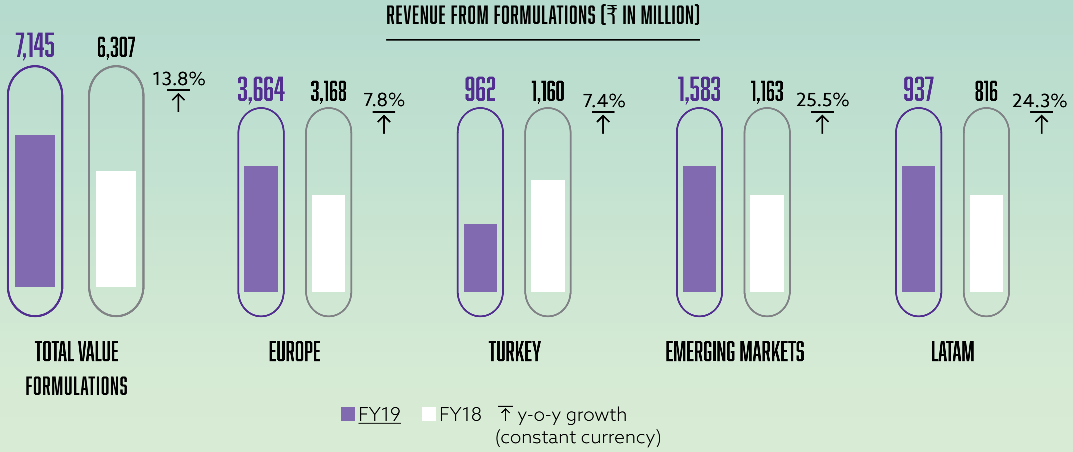
CORPORATE ACTION

- Acquired EU GMP API facility at Mahad (India), which complements our current manufacturing facility at Vizag (USFDA approved) and Tarapur (Intermediates).
- Acquired Bremer Pharma (Germany) in April 2018 – significant boost to injectable pipeline for the US and EU - first injectable product validated

FORMULATIONS

- Strengthened presence in France and Italy, two key European Union markets
- Formulations business grew 13.8% on constant currency (cc) basis vis-à-vis 4% industry growth
- Turkey, impacted by currency headwinds, reported 7.4% growth on cc basis
- Europe grew 7.8% on cc basis, almost twice the industry growth rate

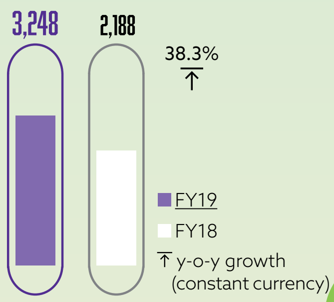
REVENUE FROM FORMULATIONS (₹ IN MILLION)



ACTIVE PHARMACEUTICAL INGREDIENT

- Business grew 38.3% on cc basis on the back of increasing penetration with top 10 animal health players
- 17 API filings in the US – highest by any generics player and 11 CEP filings
- First commercial API sale in the US

REVENUE FROM API (₹ IN MILLION)



RESEARCH AND DEVELOPMENT

- 14+ complex APIs and 35+ formulation products in pipeline, addressable market size of ~US$1 Billion
- Completed 17 filings in the US, five during the current year
- Completed a total of 11 CEP filings, 10 approvals as on date
- Launched 18 products in EU and 15 products in emerging markets during the year

FOCUSED R&D

WIDE-RANGING INNOVATION

OUR IN-HOUSE RESEARCH AND DEVELOPMENT CAPABILITIES REPRESENT THE CORNERSTONE OF OUR OPERATIONS AND CONTINUED GROWTH. WE HAVE FOUR WORLD-CLASS RESEARCH AND DEVELOPMENT FACILITIES, SPANNING INDIA, SPAIN, TURKEY AND BRAZIL.

WE HAVE CREATED A ROBUST R&D PORTFOLIO AND CAPABILITY OVER THE YEARS BOTH ON THE API AND FORMULATION FRONT.

Our scientists are developing various dosage forms and therapies, including medicated feed and drugs to create a world-class product portfolio, catering to both companion and production animals. Currently, we have a strong pipeline of 14 complex APIs and 35+ formulation products.

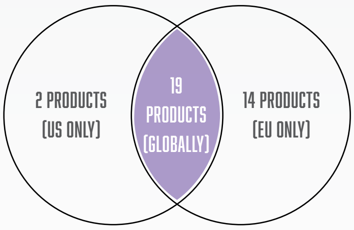
FORMULATIONS

We have 35+ formulations under development with addressable market size of US$ 1 billion consisting of 60% being first generic, niche innovation and off-patent, around 1/2 of our portfolio are injectables and 1/3rd of our products leverage our API-integrated approach.

HIGHLIGHTS FY19

- Validated world's largest injectable product with an addressable market of US$ 100 million+ at the facility in Germany
- Expanded R&D team in India, fit to execute 10+ projects annually
- 20+ new filings in the US in the next three years
- Developed capabilities to execute ecotoxicity and bioequivalence studies in India–30%+ cost-reductions
- First US injectable filing expected in FY20

PIPELINE OF 35+ PRODUCTS



API

Our API R&D facility at Vizag primarily focuses on developing new products, improving existing products, alongside expanding product applications and process optimisation, based on the statistical design of experiment (DoE). During FY19, we had five US and three CEP filings.

14
PIPELINE

17
US FILED/APPROVED

10
EU-CEP APPROVALS

ONE
USFDA APPROVED FACILITY

FIVE
EU GMP APPROVED SITES

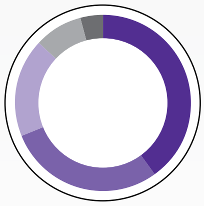
R&D CAPABILITIES

DOSAGE FORM	SPAIN	TURKEY	INDIA	BRAZIL
APIs			✓	
ORAL SOLUTION	✓	✓		✓
ORAL SUSPENSION	✓			
LIQUID FOR INHALATION	✓	✓		
WATER SOLUBLE POWDER	✓		✓	✓
DRUG PREMIX	✓		✓	
NUTRITIONAL FEED ADD.	✓			
Tablets			✓	
Pre Filled Syringes		✓		
INJECTABLE				
Inj. Solution			✓	
Inj. Suspension			✓	
Dry Powder				
GASES AREOSOLS		✓		
GRANULES			✓	
POUR ON/SPOT ON	In-Process	✓		
PARASITICIDES DRY POWDER	In-Process			

In-Process ✓ Available

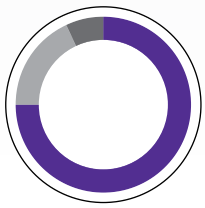
R&D PIPELINE BREAK-UP

PRODUCT CATEGORY (%)



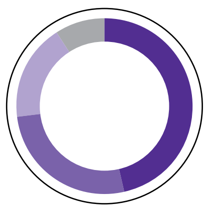
- Global generics 40
- Niche/limited competition 29
- Patent expiry opportunity 18
- First generic 9
- Incremental innovation 4

SPECIES (%)



- Production animal 75
- Companion animal 18
- Both 7

DOSAGE FORM (%)



- Injectable 46
- Powder/premix 27
- Liquid 18
- Solid 9

VALUE CREATION

RELENTLESS EXECUTION

QUARTER-ON-QUARTER PROGRESS

REVENUE FROM OPERATIONS (₹ IN MILLION)

Q4 FY19	2,819.0
Q3 FY19	2,705.3
Q2 FY19	2,517.2
Q1 FY19	2,351.5

EBITDA (₹ IN MILLION)

Q4 FY19	402.3
Q3 FY19	354.8
Q2 FY19	319.9
Q1 FY19	249.8

EBITDA MARGINS (%)

Q4 FY19	14.3
Q3 FY19	13.1
Q2 FY19	12.7
Q1 FY19	10.6

FIVE-YEAR PROGRESS

REVENUE FROM OPERATIONS (₹ IN MILLION)

FY19	10,393
FY18	8,494
FY17	6,890
FY16	6,214
FY15	4,432

EBITDA (₹ IN MILLION)

FY19	1,326
FY18	871
FY17	578
FY16	572
FY15	192

EBITDA MARGIN (%)

FY19	12.8
FY18	10.3
FY17	8.4
FY16	NA
FY15	NA

PROFIT AFTER TAX (₹ IN MILLION)

FY19	570
FY18	102
FY17	(139)
FY16	(164)
FY15	(118)

GROSS BLOCK + CWIP (₹ IN MILLION)

FY19	4,396
FY18	3,976
FY17	5,979
FY16	5,374
FY15	5,642

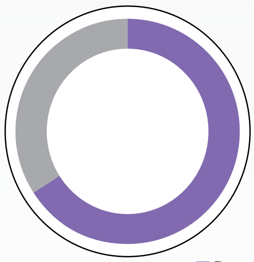
DEBT TO EQUITY (X)

FY19	0.35
FY18	0.38
FY17	0.27
FY16	0.33
FY15	5.19

RETURN ON CAPITAL EMPLOYED (%)

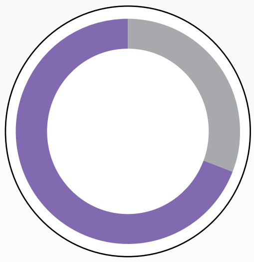
FY19	11.8
FY18	7.8
FY17	4
FY16	NA
FY15	NA

REVENUE BY MARKET SHARE IN FY19 (%)



Regulated market 66
Less regulated market 34

REVENUE BY BUSINESS IN FY19 (%)



Formulations 69
APIs 31

DELIVERING CONSISTENT OUTCOMES

Dear Shareholders,

At the beginning of the current fiscal, we had committed ourselves to a high teen revenue growth and an EBITDA margin improvement of over 200 bps. Despite headwinds in Turkey and Europe on the regulatory, currency and Brexit fronts, we could exceed our targets and ended the year with revenue of ₹ 1,040 crore, a growth of 22% over FY18 and an EBITDA margin improvement of 250 bps to 12.8% in FY19 and a 5.6x growth in PAT.

22%	250 BPS	5.6X
REVENUE GROWTH	EBITDA MARGIN IMPROVEMENT	GROWTH IN PAT

REVENUE

The key driver for the revenue growth was our API segment that grew 48% on the back of increasing penetration with top 10 animal health players. Q4 of FY19 also saw a new milestone where the Animal Health API sales exceeded the ₹ 100 crore mark for the first time. This performance has been a strong validation of the strategic investment we made in setting up the Vizag facility in 2014.

Our formulation business grew at 13.3%, far ahead of the industry growth. The growth would have been better but for the headwinds in Turkey around regulatory as well as currency concerns. Turkey has grown over 7% in constant currency terms, and we expect a much stronger growth this year. Our Turkish facility also received EU GMP approval during the current year. Europe had some supply chain challenges in the second half, partly due to Brexit overhang. Our European business grew by about 7%, slightly lower than our expectations and we launched 18 new products in the EU region.

PROFITABILITY

Our relentless focus on execution is driving improvement in our operating margins. We have now seen 12 quarters of consistent improvement in our operating margins and ending FY19 with a margin improvement of 250 bps. While our API segment has seen improved quality of business and benefits from the operating leverage available, our formulation segment continues to outpace the industry.

With enhanced operating leverage, we also see positive impact on both the return on capital employed and return on equity which have significantly improved over last year.

INVESTMENTS

In fiscal 2019, we have significantly scaled up our capabilities with the addition of an injectable manufacturing facility in EU as well as expanding our formulation R&D capabilities in India and Spain. With this, we have completed all our major investments for the future growth of existing businesses, and at this stage, we do not anticipate any significant capex in the short term other than regular maintenance capex which may be required. With a net debt to equity of 0.35, we are well leveraged and poised for execution of our future strategies.

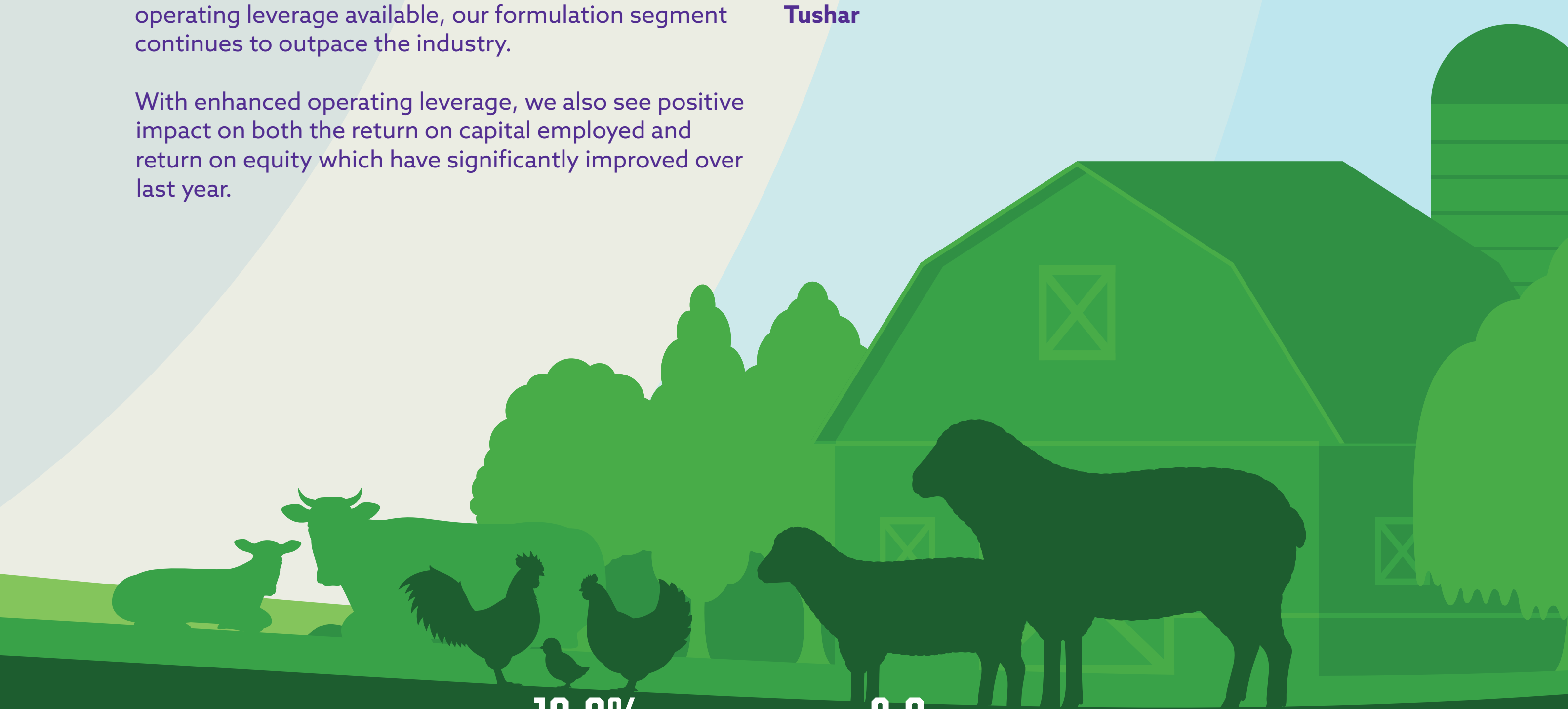
BALANCE SHEET

On the balance sheet front, what you see today is the result of years of financial and operational discipline. All ratios are improving as we benefit from scale. Our asset turnover ratio has now increased to 2.0, and our net debt to EBITDA is down to 1.8. Additionally, our cash flow from operations has been consistently growing, and this is a clear indication of the fact that the investment phase is behind us. All of this has resulted in an upward revision of credit rating during the year to A–.

I am confident that the financial discipline and rigour that we have shown in these past years will definitely drive value for our shareholders.

Warm regards,

Tushar



13.3%
GROWTH IN FORMULATION BUSINESS

2.0
ASSET TURNOVER RATIO

BOARD OF DIRECTORS

DR. GOPAKUMAR G NAIR

Chairman and Independent Director

Dr. Nair is the Chairman and Independent Director on the Board. He has over 41 years of experience and knowledge in pharmaceutical and chemical industry at different levels and positions like Director, Chairman and Managing Director. He was also the former President of Indian Drug Manufacturers' Association. Dr. Nair is familiarised with GATT, WTO, TRIPs and other IP laws. With a wealth of experience in the field, he started IP/patent practice under the name Gopakumar Nair Associates.

MR. MANISH GUPTA

Managing Director

Mr. Gupta joined the Company as Chief Executive Officer and was welcomed to the Board as Managing Director on November 12, 2014. He has over 23 years of experience in leading and managing businesses across the US, Europe and India to enhance performance. Before joining SeQuent Scientific, he was the CEO of Strides Arcolab Limited, where he spearheaded the pharma operations. Mr. Gupta has played a vital role in strengthening the Australasian generics (Ascent) business and injectable (Agila) business.

MR. KEC RAJA KUMAR

Non-executive Director

Mr. Kumar is the Founder and CEO of Ascent Capital Advisors, an India-focused, private equity firm. He has over 16 years of experience in India's investment sector spanning venture capital and private/public equity. Previously, he served as a Senior Officer of the Indian Civil Services, as Commissioner of Income Tax and as Regional Director of Securities and Exchange Board of India (SEBI). Besides, he was an Executive Director of UTI Mutual Fund and has also served as a Director of five Indian stock exchanges.

DR. KAUSALYA SANTHANAM

Independent Director

Dr. Santhanam is a registered patent agent in the United States Patent and Trademark Office (USPTO) and India. After eight years of research experience in India and the US, she joined the Intellectual Property Department of CuraGen Corporation, a biopharmaceutical company in the US. She has considerable experience in designing patent strategies. She is currently an IP consultant to biotechnology and biopharmaceutical corporates in India and the US.

MR. NARENDRA MAIRPADY

Independent Director

Mr. Mairpady is a certified member of the Indian Institute of Bankers. Mr. Mairpady started his banking career as a Trainee Officer in Corporation Bank in January 1975. In there, he was recognised as a member of Chairman's Club for 18 years, including eight years in a row. He joined Bank of India as an Executive Director in November 2008. Subsequently, he joined Indian Overseas Bank (IOB) as the Chairman and Managing Director on November 1, 2010. He retired on July 31, 2014. During his tenure in IOB, the Bank won many awards including National Award for Excellence in MSE lending for the years 2010-11 and 2011-12.

MR. SHARAT NARASAPUR

Joint Managing Director

Mr. Narasapur has over 29 years of experience in chemical, agrochemical and pharmaceutical industry in various roles, starting from design and development to managing business operations. He has vast knowledge in techno-commercial operations involving management of large multilocation chemical/API manufacturing operations and global project/programme management. Mr. Narasapur has worked with companies like Dr Reddy's, Gharda Chemicals and so on.

DR. S DEVENDRA KUMAR

Non-executive Director

Dr. Kumar has a bachelor's degree in Medicine and is one of the key architects in developing Shasun Pharmaceuticals Limited (Shasun). He was instrumental in transforming Shasun from a domestic seller to an export-oriented organisation. He has gained a worldwide reputation for his knowledge in marketing, customer relations, global competition and strategic thinking. He has been consistently mentoring and developing the marketing team at Shasun.

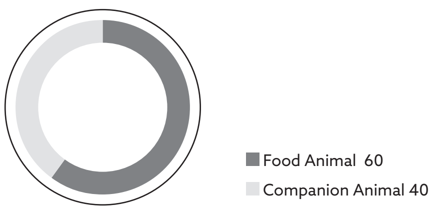
MANAGEMENT DISCUSSION AND ANALYSIS

Animal Healthscape

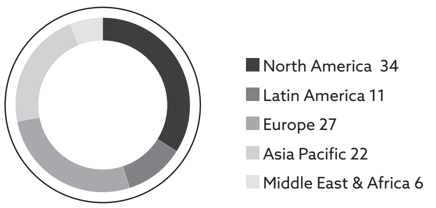
Animal healthcare sector has witnessed a paradigm shift to improve the quality of drugs mainly in developed economies. A significant increase in animal production has led to improvement of food safety systems in order to safeguard human health. The rising prevalence of infectious and parasitic diseases is creating the next wave of innovation in managing animal health. Modern medicine and technology are focused on improving animal health and livestock production. Increasing demand for poultry and milk products across the globe is, in turn, driving the demand for feed additives, vaccines and drugs. Growing urbanisation, changing lifestyle and increase in per capita income have encouraged pet ownership as well as increased willingness to pay for pet healthcare.

These advancements and new technologies have strengthened awareness, making treatment more focused towards effective outcomes, thus fuelling the growth of animal health market.

Animal Health Market by Species (%)



Animal Health Market by Region (%)



At a 4.8% CAGR, the global animal healthcare market is poised to reach US$ 45 billion by 2025 because of changing government policies and rising awareness among the general population. The North American animal industry is expected to remain dominant over the forecast period due to high penetration of animal healthcare products with a CAGR of 3.6%. This will be driven by an increase in the number of government strategies to promote healthcare policies and is expected to further fuel the growth of the market. Europe, the second largest animal healthcare market, is forecasted to expand at a 4.4% CAGR over the period, due to high numbers of pet animals, disposable incomes, animal husbandry practices for meeting ever increasing demand for non-vegetarian food. Animal healthcare markets in France and Italy account for one-third of the European market and is estimated to expand at 4% CAGR over the forecast period, owing to large population of farm and pet animals. High income of pet owners as well as availability of pet insurance augment pet healthcare practices across the country.

Latin America account for 11.5% share in the global market during 2019 and it is expected to remain same till 2025 while growing at a CAGR of 5.5%. Asia Pacific animal healthcare market is expected to witness strong growth at a CAGR of over 6.3% between 2018-2025 due to changing economies along with rising prevalence of animal diseases in this region. The Indian animal healthcare market is estimated at ₹ 70 billion in 2019 with livestock accounting for 55% of the total, poultry for 40% and companion animals for the remaining 5%. Animal health in India has undergone significant changes over the last few years because of the adoption of innovative technologies used for prevention and cure of farm and companion animals. The business approach among animal health companies have evolved from therapeutics to preventive and then from productivity enhancement to now focusing on overall healthcare.

The production animals space remains the mainstay for SeQuent Scientific Ltd. (SeQuent). Under the aegis of Alivira, the company is committed to mitigate the varied challenges faced by those who raise and care for animals. We focus on improving farm productivity along with bringing innovative solutions to veterinarians to address the global animal health related issues. Today, we are India's first global animal health company with eight state-of-the-art manufacturing facilities. Our API business is characterised by new product development capability, best-in-class infrastructure, wide product basket and long-term relationships with the top global animal health companies. We have lately transformed ourselves into a formulation-led company with around 70% of our total revenue being realised from the formulations sales. In this space, we have established our business presence in India, Turkey, Europe, LATAM, Africa, Middle East and South East Asia. We have over 1,000 products focused towards production animals produced in GMP compliant facilities in Spain, Germany, Brazil, India and Turkey with R&D centres in India, Spain, Turkey and Brazil. We are present in over 100 countries with over 50% of the revenue coming from Europe.

Our focus markets and opportunity

At SeQuent, we are focused on addressing the global animal health challenges to ensure food security for an ever-increasing world population. We are working to emerge as one of the global leaders of the animal health industry. In order to attain our objective, we have carefully chosen markets wherein we anticipated opportunities for progress and growing awareness about safe and healthy animal environment.

India		
Market Statistics	Our Presence Today	Growth Drivers
• Second fastest growing market for animal healthcare • The healthcare market for production animals is expected to grow from an estimated US$ 460 million in 2015 to US$ 660 million in 2019 at a CAGR of 9.1%	• Established presence with overall business revenue of US$ 7 million (461 million) • 50+ brands • 150+ field force	• Driving the cattle business with focused approach on select therapies of mastitis, infertility and probiotics • Catalysing poultry business due to strengths in nutritional products like enzymes, toxin binders and acidifiers.

Europe		
Market Statistics	Our Presence Today	Growth Drivers
• Second largest animal health market in the world • Total market size of US$ 9 billion in 2018 • Anticipated to grow at 4.4% to US$ 12 billion in 2025	• Front-end team of 35+ with presence in 7 of the top 10 EU countries (ES, NL, BE, SE, DE, IT and FR) and 15 other EU markets through distributors • 230+ product registrations with last mile channel partnership for 27 EU companies • Manufacturing base at Spain and Germany, R&D base at Barcelona	• Leverage injectable manufacturing capabilities in Germany • Establish Alivira front-end presence across top 10 markets • Expand distribution reach across key EU countries

Turkey		
Market Statistics	Our Presence Today	Growth Drivers
• US$ 450 million veterinary market, which is growing at around 8% year on year, faster than the global industry growth • Turkey is among the top 10 ruminant market and overall the 16th largest veterinary market in the world	• Third largest animal health company in Turkey (~10% market share) • Largest producer of veterinary pharmaceuticals • Portfolio of 120+ products and 40+ field force • Robust manufacturing capabilities	• Comprehensive manufacturing capabilities for larger share in Turkey and MENA • Enhanced presence in cattle and sheep segment • Expertise in injectable products especially penicillin and cephalosporins, among others

Latin America		
Market Statistics	Our Presence Today	Growth Drivers
• Latin America largely dominated by the markets of Brazil and Mexico accounting for 6.7% of the global animal health business • LATAM is anticipated to grow at 5.5% to US$ 5 billion in 2025	• Brazil- 25+ registered products; GMP manufacturing facility approved by MAPA • Field force of 11+ • Mexico- 37+ registered products; Field force of 7+	• Addition of therapeutic products across nutritional additives and supplements • Cross leverage of group portfolio • Capitalise EU relationships for in-licence products • Expand into other LATAM markets • New contract/Traders won

Emerging Markets		
Market Statistics	Our Presence Today	Growth Drivers
• Emerging markets account for 1/4th of the global animal health market and is estimated to grow at a CAGR of 6.5%	• Africa- 9 key countries, 80+ approved products - 14 field force (direct and indirect) • South East Asia- 11 countries, 11 indirect field force, 130+ approved products • MENA - 10 countries, 12 indirect field force, 75+ registrations • Russia and CIS – 4 countries; 24 registrations	• Established front-end presence in parts of East Africa and Southeast Asia • Enter new markets: Egypt, Saudi Arabia, Thailand, Tanzania, CIS and Qatar • Focus on innovative, non-antibiotic product portfolio • Consolidated EM portfolio under single leadership

Strategic initiatives and performance in FY 2018-19

This has been a year of strong performance wherein our revenue and EBITDA grew by 22% and 52%, respectively, with a 250bps margin improvement and a 5.6x growth in PAT. The all-round growth was fuelled by executing excellence across both APIs and formulations.

It is a known fact that any strategic investment in pharmaceutical business has a gestation period of close to five years. Our strategic investment in Vizag in 2014 started bearing fruits and the current year performance is a strong validation of this investment. The key driver of the revenue growth for the current year was the API segment, which grew over 48% on the back of increasing penetration with global top 10 players, second product commercialised in the US, acquisition of an EU GMP complaint facility at Mahad, and marking a beginning in Japan with two products registration.

On formulation side, our business grew over 14%, way ahead of the industry growth rate. The growth could have been better, but for the headwinds in Turkey which was on account of regulatory and currency concerns. In constant currency terms, Turkey grew at 7%. Our Turkish facility also received EU GMP approval during the year. Additionally, West Europe faced supply chain challenges especially in the second half, on account of Brexit uncertainties and API shortages that plagued this industry. European business grew at 7%, slightly below expectations, but well ahead of the industry growth rates, driven by 18 new launches during the year.

Strategically, we have strengthened investments quite sharply in new product development (NPD) over the last two years and we strongly believe this will drive growth in the future. As we all know that any pharmaceutical investment has a long gestation period and our NPD in formulation has started only years back. We have further scaled our capabilities during FY 2018-19 with the acquisition of injectable facility in EU while also expanding our formulation R&D capabilities both in India and Spain.

The pipeline in the formulations segment looks robust with over 35 products at various stages of development. The stage is set for 20 new filings in the regulated markets over the next three years. Feather in our cap for the current year was the validation of the world's largest injectable product at our Bremer facility. This is one of the handful of products in the animal health segment with sales in excess of US$ 100 million.

A business model is uniquely designed across multiple pivots of growth to ensure that corporate outcomes are never compromised. With a differentiated strategy, favourable environment and all the building blocks in place, we are well on course to create sustainable value for our stakeholders.

Business performance review

At the beginning of the current year we had committed to a high teen revenue growth and EBITDA improvement of close to 200 bps. Despite the headwinds in Turkey and supply chain challenges in Eurozone due to Brexit, our unique business model and execution capabilities led us to meet our ambition. We ended the year with a revenue of ₹ 1,040 crores, a growth of 22% over last year and EBITDA margin improved by over 250 bps to 12.8% with a five and half times growth in profitability.

What we are today, is a result of years of financial and operational discipline. All ratios are improving as we benefit from scale. Our asset turnover ratio is now close to two and our net debt to EBITDA is 1.8 on an annual basis. Our cash flows from operations also doubled to over ₹ 115 crores. With the twin levers of scale and operating efficiencies playing out, our return ratios have improved resulting in robust operational cash flow. This reflects in the upward revision of credit rating during the year to A–.

To conclude, our performance in FY 2018-19 and our visibility for near term give us the confidence to emerge as a global player in the animal health space manufacturing facility in EU. All these developments provide the necessary impetus to approach FY 2019-20 with continued optimism and rigour.

Business resources

Manufacturing

We currently operate from eight manufacturing facilities including four overseas facilities. Besides manufacturing our products internally, we also made strategic agreements with third parties to ensure that our internal production blocks are optimally used, and the demand of the customer is serviced both with quality and efficacy. A brief detail on our facilities is as below:

Business Vertical	Facility Name and Location	Key Features
Animal Health APIs	Vizag, India	Approvals: USFDA and EU GMP Capabilities: API facility with reactor capacity of 225 KL with six clean rooms
	Mahad, India	Approvals: EU GMP, COFEPRIS Mexico and WHO Capabilities: 23 reactors having cumulative capacity of 76KL
API Intermediates	Tarapur, India	Approvals: cGMP Capabilities: API intermediates facility with reactor capacity of 64 KL with two clean rooms
Animal Health Formulations	Ambernath, India	Approvals: India, Uganda, Ethiopia and Kenya Capabilities: Granules for injections and oral liquids
	Polatli, Turkey	Approvals: EU GMP and Turkish GMP Capabilities: Beta-lactam and non-beta lactam injectable solutions/suspensions, intra-mammaries, oral solutions/suspensions, aerosol and pour-on, spot-on
	Barcelona, Spain	Approvals: EU GMP Capabilities: Liquids - oral solutions/suspension and solids (powders) - beta-lactam and non-beta lactam antibiotics. Specialises in nutrition products - veterinary premixes
	Campinas, Brazil	Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Oral solutions, oral powders and drug premixes
	Warburg, Germany	Approvals: EU GMP Capabilities: Sterile injectable including beta-lactam and hormones, oral liquids and oral powders acquired in April 2018

Research and development

Collaborating in dynamic ways with innovation across our core areas is what we believe in. Our in-house research capabilities are carried out in an R&D centre based out of Vizag. We will be commissioning a pilot scale plant for faster product development. Our research and development team has expertise in heterocyclic chemistry. Going forward, we look to yield benefits from our pipeline of 14 products in animal health APIs. We have a portfolio of 35+ products under development, representing a market opportunity of over US$ 1 billion.

Quality

Across various manufacturing sites, we have put in place quality systems that cover all areas of our business processes from supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Regular audit programmes validate our attempts to deliver consistent quality. Quality risk management procedures are established and followed for internal audits, failure investigations and implementation of permanent remedial measures. Some of the certifications that give a testimony to our quality commitment are approvals from EU GMP, TGA, USFDA, CEP, COFEPRIS Mexico and Health Canada.

Intellectual property rights

From a regulatory perspective, we are fully accomplished to encounter the challenges of modern-day intellectual property management in the pharmaceutical industry. We have a well-qualified and experienced team for IPR that facilitates the development of intellectual wealth and supports in identifing new potential and markets for API and formulations across the globe.

- We completed a total of 17 filings in the US from Vizag USFDA plant
- Completed a total of 11 CEP filings, 10 approvals as on date
- In FY 2018-19 we launched 18 products in EU and 15 products in emerging markets, resulting in 1,000+ registrations across geographies

Employees

Human resource is one of the most important assets for us. We envisage achieving organisational excellence by implementing sound HR practices that align Human Capital with corporate vision to positively impact overall business performance. Our people strength stands at over 1,400 of which 400 are part of our overseas operations. We firmly believe that the strength of an Organisation depends upon its ability to develop its people.

Environment, Health and Safety (EHS)

We consider safety to be of foremost priority, and therefore, our endeavour is to ensure establishment of safe working conditions in all areas, to provide protection for its employees, visitors and stakeholders. To achieve the same and to strengthen safety the following activities are taken up:

- Monthly Safety award for the persons who follows best safety practices
- My Area – Safe Area: Managers/Supervisors identify unsafe practices and unsafe conditions at workplace to make their areas safer
- Safety Pause: Before starting any critical activity, safety pause is being followed to prevent workplace injury
- Celebration of National Safety Day/Week to reiterate the importance of safety. Various activities, competitions, training programmes are also conducted

Global presence and marketing

Today, in the APIs, we service over 60 countries world over. While we do bulk of our business directly, we also have alternate supply arrangements through distributors. This not only ensures a greater span of coverage, but also helps us in getting better payment terms. From a formulations standpoint, Alivira has a global presence in 80+ countries with strong front-end representation in European Union, Africa, Southeast Asia, Germany and India.

Finance review

(In ₹ Million)

Particulars				FY 2018-19	FY 2017-18	Movement
A	**ASSETS**					
1.	**Non-current assets**					
	(a)	Property, plant and equipment		**2,270.30**	2,135.14	135.16
	(b)	Capital work-in-progress		**172.00**	134.06	37.94
	(c)	Goodwill		**2,209.72**	2,021.93	187.79
	(d)	Other intangible assets		**501.39**	602.65	(101.26)
	(e)	Intangible assets under development		**54.15**	46.32	7.83
	(f)	Financial assets				
		(i)	Investments	**1,796.50**	2,217.33	(420.83)
		(ii)	Other financial assets	**49.77**	49.54	0.23
	(g)	Deferred tax assets (net)		**142.56**	211.91	(69.35)
	(h)	Income tax assets (net)		**45.81**	44.81	1.00
	(i)	Other non-current assets		**636.70**	583.78	52.92
	Total non-current assets			**7,878.90**	**8,047.47**	**(168.57)**
2.	**Current assets**					
	(a)	Inventories		**2,001.03**	1,585.74	415.29
	(b)	Financial assets				
		(i)	Investments	**4.70**	173.45	(168.75)
		(ii)	Trade receivables	**2,782.54**	2,583.49	199.05
		(iii)	Cash and cash equivalents	**677.89**	395.44	282.45
		(iv)	Bank balances other than (iii) above	**42.50**	29.04	13.46
		(v)	Loans	**7.58**	116.77	(109.19)
		(vi)	Other financial assets	**25.04**	19.15	5.89
	(c)	Other current assets		**458.59**	477.07	(18.48)
	Total current assets			**5,999.87**	**5,380.15**	**619.72**
	Total assets			**13,878.77**	**13,427.62**	**451.15**
B	**EQUITY AND LIABILITIES**					
I	**Equity**					
	(a)	Equity share capital		**493.74**	487.47	6.27
	(b)	Other equity		**6,573.18**	5,988.30	584.88
	Equity attributable to owners of the Company			**7,066.92**	6,475.77	591.15
	(c)	Non-controlling interest		**402.51**	369.85	32.66
	Total equity			**7,469.43**	**6,845.62**	**623.81**
II	**Liabilities**					
1.	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	**1,478.46**	1,035.45	443.01
		(ii)	Other financial liabilities	**380.33**	1,029.39	(649.06)
	(b)	Provisions		**91.07**	74.90	16.17
	(c)	Deferred tax liabilities (net)		**103.26**	108.11	(4.85)
	(d)	Other non-current liabilities		**22.96**	24.84	(1.88)
	Total non-current liabilities			**2,076.08**	**2,272.69**	**(196.61)**

(In ₹ Million)

Particulars	FY 2018-19	FY 2017-18	Movement
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**1,188.45**	1,524.07	(335.62)
(ii) Trade payables	**2,093.50**	1,604.92	488.58
(iii) Other financial liabilities	**791.23**	737.28	53.95
(b) Provisions	**20.46**	25.42	(4.96)
(c) Current tax liabilities (net)	**67.67**	89.72	(22.05)
(d) Other current liabilities	**171.95**	327.90	(155.95)
Total current liabilities	**4,333.26**	**4,309.31**	**23.95**
Total liabilities	**6,409.34**	**6,582.00**	**(172.66)**
Total equity and liabilities	**13,878.77**	**13,427.62**	**451.15**

Non-current assets

Property, plants and equipment

The increase in property, plant and equipment from ₹ 2135.14 million in FY 2017-18 to ₹ 2270.30 million in FY 2018-19 is resultant of acquisition of Mahad plant by the Company during the year.

Capital work-in-progress (CWIP)

The increase in capital work-in-progress from ₹ 134.06 million in FY 2017-18 to ₹ 172 million in FY 2018-19 is resultant of capex activities undertaken for warehouse upgradation in one of the subsidiaries.

Goodwill

The increase in goodwill from ₹ 2021.93 million in FY 2017-18 to ₹ 2209.72 million in FY 2018-19 is resultant of restatement of goodwill due to foreign exchange rate fluctuation.

Other intangible assets

The decrease in other intangible assets from ₹ 602.65 million in FY 2017-18 to ₹ 501.39 million in FY 2018-19 is resultant of amortisation and foreign exchange rate fluctuation.

Intangible asset under development

The increase in intangible asset under development from ₹ 46.32 million in FY 2017-18 to ₹ 54.15 million in FY 2018-19 is resultant of increase in development expenditure in few subsidiaries.

Non-current investment

The decrease in non-current investments from ₹ 2217.33 million in FY 2017-18 to ₹ 1796.50 million in FY 2018-19 is resultant of mark to market loss on investment in Strides Pharma Science Limited.

Deferred tax assets (net)

The decrease in deferred tax assets (net) from ₹ 211.91 million in FY 2017-18 to ₹ 142.56 million in FY 2018-19 is resultant of utilisation of deferred tax asset in one of the subsidiary against old tax liability.

Current assets

Inventories

The increase in inventories from ₹ 1585.74 million in FY 2017-18 to ₹ 2001.03 million in FY 2018-19 is result of higher inventory maintained in few subsidiaries in line with market conditions; and acquision of Mahad plant and Bremer Pharma GmbH.

Current investment

The decrease in current investments from ₹ 173.45 million in FY 2017-18 to ₹ 4.70 million in FY 2018-19 is resultant of sale of mutual fund units by parent company.

Current loans

The decrease in current loans from ₹ 116.77 million in FY 2017-18 to ₹ 7.58 million in FY 2018-19 is resultant of loan repaid by Naari Pharma Private Limited which ceased to be a subsidiary company in previous year.

Other current financial assets

The increase in other current financial assets from ₹ 19.15 million in FY 2017-18 to ₹ 25.04 million in FY 2018-19 is due to increase in claim receivables.

Other current assets

The other current assets have decreased from ₹ 477.07 million in FY 2017-18 to ₹ 458.59 million in FY 2018-19 as a result of deduction in suppliers advance and balance with government authorities.

Equity share capital

The Company's share capital increased from ₹ 487.47 million in FY 2017-18 to ₹ 493.74 million in FY 2018-19 due to issue of shares to ESOP Trust.

Other Equity

The other equity has increased from ₹ 5988.30 million in FY 2017-18 to ₹ 6573.18 million in FY 2018-19 due to reduction in gross obligation to non-controlling interest under put option.

Non-controlling interest

The non-controlling interest has increased from ₹ 369.85 million in FY 2017-18 to ₹ 402.51 million in FY 2018-19. The increase in minority is a result of increase in minority share in profit and derecognition of put option liability.

Non-current liabilities

Long-term borrowings

The increase in long-term borrowings from ₹ 1035.45 million in FY 2017-18 to ₹ 1478.46 million in FY 2018-19 is in line with expanded business scale.

Other financial liabilities
The decrease in other financial liabilities from ₹ 1029.39 million in FY 2017-18 to ₹380.33 million is resultant of reduction in put option liability.

Provision
The increase in provision from ₹ 74.9 million in FY 2017-18 to ₹ 91.07 million in FY 2018-19 is resultant of increase in provision for employee benefits and additional unit acquisition in Mahad.

Current liabilities

Current borrowings
The decrease in current borrowings from ₹ 1524.07 million in FY 2017-18 to ₹ 1188.45 million in FY 2018-19 is resultant of repayment of bank borrowing by one of the subsidiary companies.

Trade payables
The increase in trade payables from ₹ 1604.92 million in FY 2017-18 to ₹ 2093.50 million in FY 2018-19 is in line with expanded business scale.

Other current liabilities
The decrease in other current liabilities from ₹ 327.9 million in FY 2017-18 to ₹ 171.95 million in FY 2018-19 is as a result of reduction in statutory dues in one of the subsidiaries.

Consolidated statement of profit and loss for the year ended 31 March, 2019

(In ₹ Million)

	FY 2018-19	FY 2017-18	% change
Revenue from operations	10,393.07	8,494.48	22.35
Other income	86.72	165.81	(47.70)
Total income	10,479.79	8,660.29	21.01
Expenses			
Cost of materials consumed	4,538.71	3,445.94	31.71
Purchases of stock-in-trade	1,166.44	1,418.41	(17.76)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(275.03)	(239.43)	14.87
Excise duty on sale of goods	-	16.10	(100.00)
Employee benefit expenses	1,459.49	1,138.28	28.22
Finance costs	328.02	330.69	(0.81)
Depreciation and amortisation expenses	419.20	413.43	1.40
Other expenses	2,254.12	1,885.38	19.56
Total expenses	9,890.95	8,408.80	17.63
Profit/(loss) before tax and exceptional items	588.84	251.49	134.14
Exceptional items	-	15.04	(100.00)
Profit/(loss) before tax	588.84	236.45	149.03
Tax expense	20.07	134.57	(85.09)
Profit/(loss) from continuing operations after tax	568.77	101.88	458.29
Profit from discontinued operations (net of tax)	-	4,206.42	(100.00)
Profit/(loss) for the year	568.77	4,308.30	(86.80)
Other comprehensive income	(536.34)	(1,387.18)	(61.34)
Total comprehensive income for the year	32.23	2,921.12	(98.90)
Total comprehensive income for the year attributable to:			
- Owners of the Company	(20.56)	2,820.19	(100.73)
- Non-controlling interest	52.79	100.94	(47.70)
	32.23	**2,921.13**	**(98.90)**

Revenue from Operating

The revenue from operations increased from ₹ 8494.48 million in FY 2017-18 to ₹ 10393.07 million in FY 2018-19. This increase is commensurate with further expansion in Animal Health operations.

Cost of materials consumed

The cost of material consumed, as a percentage to net sales remain in line with previous year.

Employee benefit expenses

The employee benefit expenses have increased on account of the following:

- Acquisition of Bremer Pharma GmbH
- Average annual salary increase of 8%
- Proportionate increase in staff welfare expenses
- Increase in overall number of employees in the Group

Finance costs

There is nominal decrease in finance cost from ₹ 330.69 million in FY 2017-18 to ₹ 328.02 million in FY 2018-19 in line with business growth.

Depreciation and amortisation expenses

There is nominal increase in depreciation and amortisation expenses from ₹ 413.43 million to ₹ 419.20 million.

Exceptional items

The FY 2017-18 exceptional items comprise:

Particulars	₹ million
Write-off of ineligible Goods and Services Tax credits	11.61
Goodwill impairment	79.00
Reversal of accrual for contingent consideration	(93.13)
Accrual for liability towards pre-acquisition employee claims	17.56
Total	**15.04**

Tax expenses

There is decrease in tax expenses from ₹ 134.57 million to ₹ 20.07 million due to reversal of prior period tax expenses.

Risk Management and Internal Control

The Company is responsible for establishing and maintaining adequate and effective internal financial controls and the preparation and presentation of the financial statements, in particular, the assertions on the internal financial controls is in accordance with broader criteria established by the Company.

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

A robust, comprehensive internal control system is a prerequisite for an organisation to function ethically and in commensuration with its abilities and objectives. We have established a strong internal control system for the Company and its subsidiaries. This control system is aimed at providing assurance on the effectiveness and efficiency of operations, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting. The company is staffed with experienced and qualified people who play an important role in designing, implementing, maintaining and monitoring the internal control environment.

Additionally, an independent body of Chartered Accountants performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advises on industry-wide, best practices. The Audit committee consisting of Independent Director's review important issues raised by the Internal and Statutory Auditors, thereby ensuring that the risk is mitigated appropriately with neccessary rectification measures on a periodic basis.

Key Ratios

	Consolidated	
	2018-19	2017-18
Debtors turnover ratio	**3.74**	3.29
Inventory turnover ratio	**5.20**	5.37
Interest coverage ratio (*)	**2.80**	1.76
Current ratio	**1.38**	1.25
Debt equity ratio	**0.33**	0.38
Operating margin ratio	**12.77%**	10.25%
Net profit margin (*)	**5.43%**	1.18%
Return on net worth (RONW) (*)	**9.23%**	(0.65)%

(*) significant change in interest coverage ratio, net profit margin and RONW is due to improvement in operational efficiency

BOARD'S REPORT

Dear Members,

We hereby present the 34th Annual Report of your Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

1. Financial Summary

The financial performance of the Company for the financial year ended 31 March 2019 is given below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total revenue from operations	**1,676.77**	1,072.36	**10393.07**	8494.48
Other Income	**135.25**	242.69	**86.72**	165.81
Profit/ (Loss) before Interest, Depreciation Tax & Exceptional Items	**166.87**	58.83	**1336.06**	995.61
Less: Interest	**32.20**	3.92	**328.02**	330.69
Less: Depreciation and amortisation expenses	**72.64**	36.67	**419.2**	413.43
Profit/(Loss) Before Tax & Exceptional Items	**62.03**	18.24	**588.84**	251.49
Exceptional Items	-	11.61	-	15.04
Profit/(Loss) Before Tax from continuing operations	**62.03**	6.63	**588.84**	236.45
Provision for - Current Tax (including Deferred tax)	**(0.54)**	29.06	**56.71**	134.96
- MAT credit entitlement (net)	**(13.29)**	(0.39)	**(36.64)**	(0.39)
Profit/(Loss) after Tax from continuing operations	**75.86**	(22.04)	**568.77**	101.88
Profit/(loss) from discontinued operations	-	170.74	-	105.47
Gain on demerger of Human API operations	-	3,915.37	-	4100.95
Provision for - Current Tax	-	36.27	-	36.27
- MAT credit entitlement	-	(36.27)	-	(36.27)
Profit/(loss) for the Year	**75.86**	4,064.07	**568.77**	4308.30
Other comprehensive income				
Re-measurements gain/(loss) on defined benefits plans	**0.44**	(3.73)	**(4.33)**	8.25
Fair value gain/(loss) from investment in equity instruments	**(421.75)**	(1,419.54)	**(421.75)**	(1,419.54)
Exchange differences on translation of foreign operations	-	-	**54.65**	24.47
Exchange differences on net investment in foreign operations	-	-	**(165.11)**	(0.36)
Total other comprehensive income for the year	**(421.31)**	**(1,423.27)**	**(536.54)**	**(1,387.18)**
Total Comprehensive Income for the year	**(345.45)**	**2,640.80**	**32.23**	**2,921.12**

2. Business Performance Review

FY 2018-19 was our first full year as a pure play animal healthcare company and we delivered a strong performance. The year was full of challenges such as BREXIT, global shortage of API due to regulatory shutdown in China, regulatory disruption in Turkey and depreciation of Turkish Lira. Despite these challenges, we moved from the single digit EBITDA margin to the double-digit EBITDA margin and our investments have also played out. We have significantly ramped up growth during the financial year and have delivered robust 22% growth in top-line.

On consolidated basis, Company's revenue for the year 2018-19 stood at ₹ 10,393 million as against ₹ 8,494 million in the financial year 2017-18. The Company posted an EBITDA of ₹ 1,327 million as against ₹ 871 million in 2017-18. EBITDA margin during the year stood at 12.8%, up by 250 bps over previous year.

During the financial year 2018-19, on a standalone basis, Company's revenues stood at ₹ 1,677 million as against ₹ 1,072 million in 2017-18. The Company posted an EBITDA of ₹ 32 million in the year 2018-19 as against ₹ (184) million in 2017-18. The Company made a net profit of ₹ 76 million.

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

Business Overview:

- India's only FDA approved API manufacturing facility in Vizag – re-inspected and re-approved this year

- Completed the first US filing from the USFDA approved facility – Key growth driver
- Strong presence across key geographies Europe, LATAM, Turkey, India, Africa & South East Asia
- Robust R&D program and capabilities, strengthened R&D team - capable of handling 10+ projects in a year
- Established relationship with top 10 veterinary companies with a steady customer base across US, Europe, LATAM & India
- Wide range of products, predominantly in Anthelmintics & emerging NSAID portfolio

3. Corporate Actions

1. Acquisition of EU-GMP API facility, Mahad

Acquired EU-GMP API facility at Mahad, which complements our current manufacturing at Vizag (USFDA approved) and Tarapur (Intermediates). The facility is a Comprehensive API manufacturing facility spanning over 6 acres with 23 reactors having a cumulative 76KL capacity Given the recent developments in China, Mahad will also be used for key intermediates thereby de-risking the supply chain for key APIs.

2. Acquisition of Bremer Pharma, Germany

We have added the injectables capabilities which strengthens our portfolio. We filed our first in-house developed injectable in EU and in February completed the first new product validation of a valuable injectable at Bremer. Currently, we are in the process of debottlenecking Bremer for the next phase of growth. We believe that this facility is key to our injectables growth strategy for regulated markets.

4. Dividend

The Board has recommended dividend at the rate of 10% i.e. ₹ 0.20 per share for the financial year 2018-19.

In accordance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), your Company has formulated a dividend distribution policy which ensures a fair balance between rewarding its Shareholders and retaining enough capital for the Company's future growth. This Policy is available on the Company's website: www.sequent.in.

5. Transfer to reserves

During the Financial Year, the Company has not made any transfer to the reserves..

6. Share Capital

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

The issued, subscribed and paid up equity capital of the Company as on date is ₹ 493,741,990 divided into 246,870,995 equity shares of ₹ 2/- each.

During the year ended March 31, 2019, the Company had allotted 31,34,800 equity shares to Sequent Scientific Employee Stock Option Plan Trust.

The Company has not allotted any equity shares after the balance sheet date i.e. March 31, 2019.

7. Subsidiaries

As at March 31, 2019, the Company has 24 subsidiaries, out of which 9 Companies are wholly owned Subsidiaries and the Company does not have any Joint Ventures/ Associate Companies.

Changes in subsidiaries during the financial year ended March 31, 2019:

Bremer Pharma GMBH	Alivira Animal Health Limited acquired 100% in "Bremer Pharma GMBH" through its subsidiary Alivira Animal Health Limited (Ireland).
Evance Saude Brazil	Incorporated as a Subsidiary on December 26, 2018 with 70% holding of Alivira Brazil.
Alivira Italia S.R.L	Incorporated as a subsidiary as of January 21, 2019.

Accounts of Subsidiaries

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

The Audited Consolidated Accounts and Cash Flow Statement, comprising of the Company and its subsidiaries form part of this Report. The Auditors Report on the Audited Consolidated Accounts is attached and the same is unqualified.

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

8. Annual Return

Extract of Annual Return in terms of section 92(3) of the Companies Act, 2013 in Form MGT- 9 is attached as Annexure 2. The same is also updated on the website of the Company i.e. www.sequent.in.

9. Public Deposit

During the financial year 2018-19, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and rules framed thereunder.

10. Board of Directors & Key Managerial Personnel

Board Composition

As on March 31, 2019, the Board comprises of 7 Directors consisting of 2 Executive Directors, 2 Non-executive Directors and 3 Independent Directors. Chairman of the Board is an Independent Director.

Proposal for the appointments/ re-appointment/ continuation of directorship of the following Directors shall be placed before the Members' of the Company at the ensuing Annual General Meeting:

Dr. S Devendra, Non-Executive Director, who retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Re-appointment of Dr. Gopakumar Nair, Independent Director and Chairman for a term of 3 (three) years with effect from September 29, 2019 upto September 28, 2022. Further, in terms of the SEBI Listing Regulations, proposal for continuation of Dr. Nair's directorship in the Company, who has attained the age of 75 years, will also be placed for Members' approval.

Re-appointment of Dr. Kausalya Santhanam, Independent Director, for a term of 5 (five) years with effect from October 28, 2019 upto October 27, 2024.

Re- appointment of Manish Gupta, Managing Director for a term of five years.

Re-appointment of Sharat Narsapur, Joint Managing Director for a term of five years.

Brief profile of directors seeking appointment / re- appointment is given as an exhibit to the AGM notice.

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

» Mr. Manish Gupta – Managing Director (DIN: 06805265)

» Mr. Sharat Narasapur – Joint Managing Director (DIN: 02808651)

» Mr. Tushar Mistry – Chief Financial Officer

Mr. Krupesh Mehta, Company Secretary has resigned from the position and ceased to be a Company Secretary w.e.f June 29, 2019.

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

11. Meetings of the Board

During the year ended March 31, 2019, 5 (Five) Board Meetings were held. These meetings were held on May 24, 2018, August 9, 2018, September 27, 2018, November 2, 2018 and February 1, 2019.

12. Policy on Directors Appointment and Remuneration

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

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

The Nomination and Remuneration Committee at its meeting held on July 30, 2015 has adopted a policy namely Sequent Policy on Nomination and Remuneration ("the Policy") in adherence to Section 178(3) of the Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy shall act as a guideline on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and other employees of the Company. The policy is given as Annexure 3 to this report.

13. Evaluation of Board of Directors

Pursuant to provisions of schedule IV of the Companies Act, 2013 and rules thereto and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy called SeQuent Board Performance Evaluation Policy ("the Policy"). Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the Independent Directors at regular intervals and at least on an annual basis.

The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole.

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

14. Audit Committee

The Composition of Audit Committee of the Company is given below:

» Dr. Gopakumar G Nair – Chairman

» Dr. Kausalya Santhanam – Member

» Mr. Narendra Mairpady– Member

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

15. Auditors

Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants ("DHS") were appointed as Statutory Auditors of your Company at the Annual General Meeting held on September 29, 2014, for a term of five consecutive years. Their tenure as the Statutory Auditors of the Company comes to an end at the thirty fourth Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013, an Auditor's term can be for a maximum tenure of 5 years for 2 such terms. DHS has completed 2 terms and hence, it is proposed to appoint M/s. S R B C & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company for a period of 5 (Five) years to hold the office from the conclusion of this Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting.

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended 31 March 2019.

Cost Auditor

Pursuant to section 148(1), the Company needs to maintain cost records and accordingly your Company has made and maintained cost audit record.

Pursuant to section 148(3) and Companies (Cost records and audit) Rules, 2014, M/s. Kirit Mehta & Co, practicing Cost Accountants, were appointed as the cost auditor for the financial year 2018-19. The Cost Audit Report for the financial year ended would be filed within the due date prescribed by law.

The remuneration proposed to be paid to the Cost Auditor forms part of the Notice of the Annual General Meeting for the approval of the Shareholders.

Secretarial Audit Report

Pursuant to the provisions of section 204 (1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Nilesh Shah, Practicing Company Secretary (Certificate of Practice No: 2631) to carry out the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report is annexed as annexure 4 to this Report.

With regard to an observation in the Secretarial Auditor on one instance of delay in filing of intimation as required under Regulation7 (2) (b) of SEBI (Prohibition of Insider Trading Regulation), 2015, we confirm that the Company has been prompt in filing requisite disclosures under various SEBI statutes and this was purely an oversight and an isolated case of delay. The Company will make all efforts to continue to be prompt in making such disclosures.

Reporting of Fraud

None of the Auditors have reported any frauds as specified as specified under Section 143 of the Companies Act, 2013 (including and statutory modification or re-enactment for the time being in force).

16. Particulars of Employees

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

17. Vigil Mechanism / Whistle Blower Policy

Pursuant to provisions of section 177(9) of the Companies Act, 2013 and Listing Regulations, the Company has established Whistle Blower Policy, for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct.

It also provides adequate safeguards against the victimisation of employees who avail this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Board amended the existing Whistle Blower Policy to extend the applicability of the Policy to all the stakeholders of the Company and incorporate the applicable provisions of the listing regulations in the policy and confirm that no personnel have been denied access to the Audit Committee.

18. Particulars of loans, guarantees or investments by the Company

Details of loans, Guarantees and Investments, covered under the provisions of section 186 of the Act are given in the notes to the financial statements.

19. Particulars of Contracts or Arrangements with Related Parties

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

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

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

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

20. Corporate Social Responsibility

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

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

21. Risk Management

The Company has a risk management framework for identifying and managing risks. Additional details are provided in the 'Management Discussion and Analysis' report forming part of this report.

22. Internal Financial controls

The Company has in place adequate Internal Financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

Internal Financial controls have been designed to provide reasonable assurance with regard to the recording and providing reliable financial and operational information complying with applicable Accounting Standards.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015.

23. Significant and material orders passed by the Regulators or Courts or Tribunals

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

24. Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts of the Company have been prepared on a going concern basis;

(e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/ Outgo and Research & Development

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

24. Policy on prevention of Sexual Harassment at work place

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. A committee has been set up to redress complaints received regarding sexual harassment. All permanent employees of the Company and that of its subsidiaries are covered under this policy.

During the financial year, the Company has received no complaint pertaining to sexual harassment of women employee

25. Corporate Governance

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

26. Management Discussion and Analysis

Pursuant to Regulation 34 (3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed analysis on the Company's operational and financial performance for the year is covered under a separate section Management Discussion and Analysis Report which forms part of this Annual Report.

27. Employee Stock Option Scheme

The Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010 " (the "ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines") and the scheme is administered through a trust. During the year the Nomination and Remuneration Committee has granted 26,60,000 options to identified employees and 50,000 options lapsed due to resignation of employees. As at 31 March 2019, 45,52,620 Stock options are outstanding.

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

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

28. Transfer of Equity Shares of the Company to the Investor Education and Protection Fund (IEPF) Account

Section 124(6) of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority) Accounting, Audit, Transfer and Refund), Rules, 2016 for transfer of unclaimed dividend and transfer of Shares to IEPF in respect of which dividend remains unclaimed for seven consecutive years. The Company has also published Notices in newspapers and sent individual communication to the concerned shareholders at their registered address whose shares are liable to be transferred to IEPF. Kindly note that the Company has transferred unclaimed Shares to IEPF.

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in).

Appreciation

Your Directors place on record their sincere gratitude and place on record their appreciation for all the employees at all levels for their staunch dedication and highly motivated performance across the globe which contributed greatly for persistent performance of the company.

Your Directors also sincerely thank all the stakeholders, medical professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation and support.

Note: The information given herein above is as on 31 March 2019, unless otherwise stated.

For and on Behalf of the Board of Directors

Place: Thane
Date: 31 July 2019

Dr. Gopakumar G Nair
Chairman

ANNEXURE 1

Form AOC 1

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

PART A - SUBSIDIARIES

Information relating to Subsidiaries of the Company as at March 31, 2019

(₹ in million)

Sl No.	Name of the subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Statement containing sailent features of the financial statement of subsidiaries/ associate companies/ joint venture	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & surplus	(c) Total assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed /interim dividend for the year	(k) % Share-holding
1	Elysian Life Sciences Private Limited	March 2, 2010	India	NA	INR	-	0.10	(112.47)	0.04	112.41	-	-	(0.37)	-	(0.37)		100.00%
2	Alivira Animal Health Limited, India	September 30, 2013	India	NA	INR	-	477.76	3,807.02	7,345.05	3,060.26	2,893.31	3,573.57	95.13	0.01	95.12	-	100.00%
3	Alivira Animal Health Limited, Ireland	September 1, 2014	Ireland	NA	USD	69.17	1,018.61	1,782.94	3,944.33	1,142.79	3,007.47	15.59	(20.77)	-	(20.77)	-	100.00%
4	Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	September 9, 2014	Turkey	NA	TRY	12.43	24.86	253.87	1,006.98	728.26	168.54	626.41	(11.72)	18.27	(29.99)	-	60.00%
5	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	36.30	227.09	146.69	-	173.22	12.11	0.93	11.18	-	100.00%
6	SeQuent Anit Biotics Private Limited	May 4, 2010	India	NA	INR	-	0.70	(0.70)	-	-	-	-	(0.05)	-	(0.05)	-	100.00%
7	SeQuent Pharmaceuticals Private Limited	May 11, 2010	India	NA	INR	-	0.40	(0.40)	-	-	-	-	(0.15)	-	(0.15)	-	99.99%
8	Fendigo SA	December 3, 2015	Belgium	NA	Euro	77.70	12.04	83.22	291.38	196.13	-	640.67	44.90	14.41	30.49	15.54	92.50%
9	Fendigo BV	December 3, 2015	Netherland	NA	Euro	77.70	2.33	22.16	35.15	10.66	-	115.55	9.57	1.92	7.64	-	85.00%
10	N-Vet AB	December 3, 2015	Sweden	NA	SEK	7.44	4.47	133.02	170.51	33.02	-	225.99	18.21	5.30	12.92	14.89	96.10%
11	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	December 11, 2015	Turkey	NA	TRY	12.43	12.43	283.91	517.92	221.58	2.41	376.39	64.50	(16.04)	80.54	-	60.00%
12	Alivira Animal Health Australia Pty Limited	July 24, 2015	Australia	NA	AUD	-	-	-	-	-	-	-	-	-	-	-	100.00%
13	Interchange Veterinária Indústria E Comércio Ltda.	August 1, 2016	Brazil	NA	BRL	17.68	230.13	(380.57)	221.43	371.87	-	624.19	(15.96)	(31.82)	15.85	-	70.00%
14	Aliviria Saude brasil participacoes Ltda	June 10, 2016	Brazil	NA	BRL	17.68	17.37	(98.41)	204.15	285.19	203.74	-	(59.05)	-	(59.05)	-	100.00%
15	Vila Viña Participacions S.L.	July 1, 2016	Spain	NA	EURO	77.70	165.62	93.22	264.21	5.36	235.79	18.03	50.08	0.89	49.20	41.69	60.00%
16	Laboratorios Karizoo, S.A.	July 1, 2016	Spain	NA	EURO	77.70	27.72	478.40	1,623.31	1,117.20	18.89	2,758.84	162.72	32.84	129.87	36.91	60.00%
17	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	July 1, 2016	Mexico	NA	PESO	3.56	21.74	12.06	113.14	79.34	-	234.67	6.88	3.93	2.96	-	60.00%
18	Comercial Vila Veterinaria De Lleida S.L.	July 1, 2016	Spain	NA	EURO	77.70	0.70	49.08	102.45	52.67	0.05	351.83	12.54	3.00	9.54	3.11	60.00%
19	Phytotherapic Solutions S.L	July 1, 2016	Spain	NA	EURO	77.70	2.33	94.70	132.95	35.92	-	193.99	30.88	7.29	23.59	5.44	60.00%
20	Alivira UA Limited, Ireland	September 03, 2016	Ireland	NA	EURO	77.70	0.52	(0.38)	3.76	3.62	-	-	0.00	-	0.00		70.00%
21	Alivira France	February 02, 2018	France	NA	EURO	77.70	116.55	(16.22)	132.11	31.77	-	5.70	(16.88)	-	(16.88)		75.00%
22	Alivira Italia SRL	January 21, 2019	Italy	NA	EURO	77.70	1.94	-	1.94	-	-	-	-	-	-		100.00%
23	Bremer Pharma GmbH	April 17, 2018	Germany	NA	EURO	77.70	37.30	33.69	291.86	220.88	-	521.44	(15.68)	-	(15.68)		100.00%
24	Evance Saude Animal Ltda.	December 26, 2018	Brazil	NA	BRL	17.68	-	6.68	35.87	29.19	-	40.69	10.43	3.43	6.99		70.00%

1 Names of subsidiaries which are yet to commence operations:
a) Alivira Animal Health Australia Pty Limited, Australia
2 Names of subsidiaries which have applied for strike off their name from register of Registrar of Company - Bengaluru under fast track exit scheme of ministry of corporate affair:
a) Sequent Antibiotics Private Limited
b) Sequent Pharmaceuticals Private Limited

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2019

For and on behalf of the Board of Directors

Date: 31 July 2019	Manish Gupta	Sharat Narasapur	Tushar Mistry
Place: Thane	Managing Director	Joint Managing Director	Chief Financial Officer

ANNEXURE 2

Form No. MGT-9
Extract of Annual Return
As on The Financial year ended on 31 March 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

1.	CIN	L99999MH1985PLC036685
2.	Registration Date	June 28, 1985
3.	Name of the Company	SeQuent Scientific Limited
4.	Category/ Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No.22, Wagle Industrial Estate, Thane West - 400 604, Maharashtra, India Tel No: +91 22 4111 4777 Fax No: +91 22 4111 4754
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot Nos. 31 & 32 Financial District, Nanakramguda | Serilingampally Mandal, Hyderabad – 500032

II. Principal business activities of the company

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

Sl. No	Name and Description of main products/services	NIC Code of the product/ services	% to total turnover of the Company
1.	Pharmaceuticals	21005	100%

III. Particulars of holding, subsidiary and associate

Sl. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Alivira Animal Health Limited 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No.22, Wagle Industrial Estate, Thane West - 400 604, Maharashtra, India	U74120MH2013PLC248708	Subsidiary	100	Section 2(87)
2	Sequent Research Limited 120/A & B, Industrial Area Baikampady, Mangalore – 575 001, Karnataka, India	U24232KA2007PLC042483	Subsidiary	100	Section 2(87)
3	Sequent Anti Biotics Private Limited Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, Karnataka, India	U24230KA2010PTC053487	Subsidiary	100	Section 2(87)
4	Sequent Pharmaceuticals Private Limited (Formerly known as Sequent Oncolytics Private Limited) Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, Karnataka	U24230KA2010PTC053584	Subsidiary	99.99	Section 2(87)
5	Elysian Life Sciences Private Limited Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, Karnataka, India	U24232KA2010PTC052742	Subsidiary	100	Section 2(87)
6	Alivira Animal Health Limited, Red City Road, Fethard, Co. Tipperary E91 ET26, Ireland	NA	Subsidiary	100	Section 2(87)
7	Provet Veteriner Ürünleri San. ve Tic. A. Ş. Çavuşoğlu Mah. Samanyolu Cad. No:28 Kartal/İstanbul	NA	Subsidiary	60	Section 2(87)
8	Topkim İlaç Premiks San. ve Tic. A. Ş (Topkim) Ruzgarlibahce Mah. Yeni Prs. Mvk Yesa ism. Blok.1 K.4 Beykoz	NA	Subsidiary	60	Section 2(87)

Sl. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
9	Alivira Animal Health Australia Pty Limited Level 18, 530 Collins Street, Melbourne, VIC 3000	NA	Subsidiary	100	Section 2(87)
10	N-Vet AB Uppsala Science park, 751 83, Sweden	NA	Subsidiary	96.10	Section 2(87)
11	Fendigo BV Acacia 38, (5708 DJ) Helmond, the Netherlands	NA	Subsidiary	85	Section 2(87)
12	Fendigo SA Hermann Debrouxlaan 17, B-1160 Oudergem, Belgium	NA	Subsidiary	92.50	Section 2(87)
13	Interchange Veterinária Indústria E Comércio Ltda. Rua Angelo Esteves, 51 Jardim Miriam na Cidade de Campinas SP Cep 13.098-416	NA	Subsidiary	70	Section 2(87)
14	Aliviria Saude brasil participacoes Ltda Rua Bela Cintra, nº 904, 6º andar, na Cidade de São Paulo, Estado de São Paulo, CEP 01415-000, República Federativa do Brasil.	NA	Subsidiary	100	Section 2(87)
15	Vila Viña Participacions S.L. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
16	Laboratorios Karizoo, S.A. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
17	Laboratorios Karizoo, S.A. DE C.V. (Mexico) Avda. de las Fuentes, 70, Int. Bodega 5, Col. Parque Industrial Finsa – CP. 767246, El Marques, Queretaro	NA	Subsidiary	60	Section 2(87)
18	Comercial Vila Veterinaria De Lleida S.L. Calle gran (ptda. Llivia), Lleida, 25195, Lerida	NA	Subsidiary	60	Section 2(87)
19	Phytotherapic Solutions S.L Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
20	Alivira UA Limited. 25-28, North Wall Quay, I.F.S.C., Dubin 1, Ireland	NA	Subsidiary	100	Section 2(87)
21	Alivira France 14 Rue Scandicci Tour Essor, 93500 Pantin	NA	Subsidiary	75	Section 2(87)
22	Bremer Pharma GmbH Werkstr. 42 34414 Warburg Germany	NA	Subsidiary	100	Section 2(87)
23	Alivira Italia S.R.L Ferrara, Via Giorgio Rizzi 12 Cap 44123 Italy	NA	Subsidiary	100	Section 2(87)
24	Evance Saude Animal Ltda Rua Angelo Esteves, 51 Jardim Miriam na Cidade de Campinas SP Cep 13.098-416	NA	Subsidiary	70	Section 2(87)

Notes:

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding between 31/03/2018 and 31/03/2019

Category code	Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	56049895	0	56049895	23.00	55719705	0	55719705	22.57	(0.43)
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0	0.00
(c)	Bodies Corporate	83552935	0	83552935	34.28	83752935	0	83752935	33.93	(0.35)
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0	0.00
(e)	Others	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total A(1):	**139602830**	**0**	**139602830**	**57.28**	**139472640**	**0**	**139472640**	**56.50**	**0.78**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
(e)	Others	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0.00**
	Total A=A(1)+A(2)	**139602830**	**0**	**139602830**	**57.28**	**139472640**	**0**	**139472640**	**56.50**	**(0.78)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	11417019	0	11417019	4.68	9422019	0	9422019	3.82	0.86
(b)	Financial Institutions /Banks	60124	0	60124	0.02	460506	0	460506	0.19	-0.17
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(f)	Foreign Portfolio Investors	30188866	0	30188866	12.39	23458240	0	23458240	9.50	(2.89)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
(i)	Others	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total B(1):	41666009	0	41666009	17.09	33340765	0	33340765	13.51	(3.58)
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	25115479	0	25115479	10.30	27926788	11.31	27926788	11.31	1.01
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	11331405	51275	11382680	4.65	19095100	50030	19145130	7.76	3.11
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	16461161	0	16461161	6.75	12489862	0	12489862	5.06	(1.69)
(c)	Others									
	DIRECTORS	320240		320240	0.13	778120	0	778120	0.32	0.19
	CLEARING MEMBERS	148092	0	148092	0.06	185791	0	185791	0.08	0.02
	NBFCs	0	0	0	0	153600	0	153600	0.06	0.06
	I E P F	0	0	0	0.00	22900	0	22900	0.01	0.01
	NON RESIDENT INDIANS	7590804	0	7590804	3.11	8039959	0	8039959	3.26	0.15
	FOREIGN NATIONALS	200	0	200	0.00	0	0	0	0	0
	TRUSTS	1448700	0	1448700	0.59	951820	3134800	4086620	1.66	1.07
	HUF	0	0	0	0	1228820	0	1228820	0.50	0.05
	Sub-Total B(2) :	**62416081**	**51275**	**62467356**	**25.61**	**70872760**	**3184830**	**74057590**	**30.00**	**4.39**
	Total B=B(1)+B(2) :	**104082090**	**51275**	**104133365**	**42.70**	**104213525**	**3184830**	**107398355**	**43.50**	**0.08**
	Total (A+B) :	**243684920**	**51275**	**243736195**	**100.00**	**243686165**	**3184830**	**246870995**	**100.00**	**-**

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	No.of Shares held at the beginning of the year			No.of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	K R RAVISHANKAR	27899930	11.45	0.00	27899930	11.30	0.00	(0.15)
2	PRONOMZ VENTURES LLP	27000000	11.08	0.00	27000000	10.94	0.00	(0.14)
3	CHAYADEEP VENTURES LLP	25125000	10.31	29.13	25125000	10.18	47.44	(0.13)
4	ARUN KUMAR PILLAI	23499965	9.64	42.98	23499965	9.52	96.12	(0.12)
5	AGNUS CAPITAL LLP	21157560	8.68	60.88	21157560	8.57	75.89	(0.11)
6	CHAYADEEP PROPERTIES PRIVATE LIMITED	5180555	2.13	96.51	5380555	2.18	96.64	0.05
7	DEVICAM CAPITAL LLP	3788670	1.55	100.00	3788670	1.53	100.00	(0.02)
8	AGNUS HOLDINGS PVT LTD	1301150	0.53	69.17	1301150	0.53	0.23	-
9	SAJITHA PILLAI	500000	0.21	0.00	575000	0.23	0.00	0.02
10	RAJITHA GOPALAKRISHNAN	500000	0.21	0.00	575000	0.23	0.00	0.02
11	HEMALATHA PILLAI	500000	0.21	0.00	514810	0.21	0.00	0.00
12	ADITYA ARUN KUMAR	500000	0.21	0.00	500000	0.20	0.00	(0.01)
13	TARINI ARUN KUMAR	500000	0.21	0.00	500000	0.20	0.00	(0.01)
14	DEEPA ARUN KUMAR	500000	0.21	0.00	500000	0.20	100.00	(0.01)
15	VINEETHA MOHANAKUMAR PILLAI	500000	0.21	0.00	500000	0.20	0.00	(0.01)
16	KRISHNA KUMAR NAIR	500000	0.21	0.00	500000	0.20	0.00	(0.01)
17	YALAVARTHY USHA RANI	150000	0.06	0.00	150000	0.06	0.00	0.00
18	PADMAKUMAR KARUNAKARAN PILLAI	500000	0.21	0.00	5000	0.00	0.00	(0.21)
	Total	**139602830**	**57.28**	**-**	**139472640**	**56.50**	**-**	**(0.78)**

iii. Change in Promoters Shareholding (please specify, if there is no change)

Sl No.	Name of the Share Holder	As on Date	No. of shares held at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K R RAVISHANKAR	01-Apr-18	27899930	11.45	27899930	11.45
		31-Mar-19			27899930	11.30
2	PRONOMZ VENTURES LLP	01-Apr-18	27000000	11.08	27000000	11.08
		31-Mar-19			27000000	10.94
3	CHAYADEEP VENTURES LLP	01-Apr-18	25125000	10.31	25125000	10.31
		31-Mar-19			25125000	10.18
4	ARUNKUMAR PILLAI	01-Apr-18	23499965	9.64	23499965	9.64
		31-Mar-19			23499965	9.52
5	AGNUS CAPITAL LLP	01-Apr-18	21157560	8.68	21157560	8.68
		31-Mar-19			21157560	8.57
6	CHAYADEEP PROPERTIES PVT LTD	01-Apr-18	5180555	2.13	5180555	2.13
		Shares bought	200000	0.08	5380555	2.21
		31-Mar-19			5380555	2.18
7	DEVICAM CAPITAL LLP	01-Apr-18	3788670	1.55	3788670	1.55
		31-Mar-19			3788670	1.53
8	AGNUS HOLDINGS PVT LTD	01-Apr-18	1301150	0.53	1301150	0.53
		31-Mar-19			1301150	0.53
9	SAJITHA PILLAI	01-Apr-18	500000	0.21	500000	0.21
		Shares bought	75000	0.03	575000	0.24
		31-Mar-19			575000	0.23
10	RAJITHA GOPALAKRISHNAN	01-Apr-18	500000	0.21	500000	0.21
		Shares bought	75000	0.03	575000	0.24
		31-Mar-19			575000	0.23

Sl No.	Name of the Share Holder	As on Date	No. of shares held at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
11	HEMALATHA PILLAI	01-Apr-18	500000	0.21	500000	0.21
		Shares bought	14810	0.01	514810	0.21
		31-Mar-19			514810	0.21
12	ADITYA ARUN KUMAR	01-Apr-18	500000	0.21	500000	0.21
		31-Mar-19			500000	0.20
13	TARINI ARUN KUMAR	01-Apr-18	500000	0.21	500000	0.21
		31-Mar-19			500000	0.20
14	DEEPA ARUN KUMAR	01-Apr-18	500000	0.21	500000	0.21
		31-Mar-19			500000	0.20
15	VINEETHA MOHANAKUMAR PILLAI	01-Apr-18	500000	0.21	500000	0.21
		31-Mar-19			500000	0.20
16	KRISHNA KUMAR NAIR	01-Apr-18	500000	0.21	500000	0.21
		31-Mar-19			500000	0.20
17	YALAVARTHY USHA RANI	01-Apr-18	150000	0.06	150000	0.06
		31-Mar-19			150000	0.06
18	PADMAKUMAR KARUNAKARAN PILLAI	01-Apr-18	500000	0.21	500000	0.21
		Shares sold	495000	0.20	5000	0.00
		31-Mar-19			5000	0.00

*The paidup capital of the Company was increased from ₹ 48472390 to ₹ 493741990 w.e.f March 26, 2019

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

Sl No.	Type	Name of the Share Holder	Shareholding at the begginning of the Year		Cumulative Shareholding during the year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Opening Balance	TIMF HOLDINGS	15330795	6.29	15330795	6.21
	Closing Balance				15330795	
2	Opening Balance	UNIT TRUST OF INDIA INVESTMENT ADVISORY SERVICES L	14138395	5.80	14138395	5.73
	Closing Balance				14138395	5.73
3	Opening Balance	SBI MUTUAL FUND	11417019	4.68	11417019	4.62
	Sale of shares		1995000	0.82	9422019	3.87
	Closing Balance				9422019	3.82
4	Opening Balance	SATPAL KHATTAR	7122210	2.92	7122210	2.88
	Sale of shares		1000000	0.41	6122210	2.51
	Closing Balance				6122210	2.48
5	Opening Balance	SEQUENT SCIENTIFIC EMPLOYEE STOCK OPTION PLAN TRUS	1445200	0.59	1445200	0.59
	Transfer of shares		498380	0.20	946820	0.39
	Allotment of shares		3134800	1.27	4081620	1.65
	Closing Balance				4081620	1.65
6	Opening Balance	MORGAN STANLEY ASIA (SINGAPORE) PTE.	3899526	1.60	3899526	1.58
	Sale of shares		241887	0.1	3657639	1.58
	Closing Balance				3657639	1.48
7	Opening Balance	RAPTAKOS BRETT AND CO. LTD	2210895	0.91	2210895	0.90
	Closing Balance				2210895	0.90

Sl No.	Type	Name of the Share Holder	Shareholding at the begginning of the Year		Cumulative Shareholding during the year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8	Opening Balance	BOMBAY OXYGEN INVESTMENTS LIMITED	2145297	0.88	2145297	0.88
	Closing Balance				2145297	0.87
9	Opening Balance	MUKUL AGRAWAL	0	0.00	0	0.00
	Purchase of shares		2100000	0.86	2100000	0.86
	Closing Balance				2100000	0.85
10	Opening Balance	GIRISH SAREEN	1714298	0.70	1714298	0.69
	Purchase of Shares		19000	0.00	1733298	0.70
	Closing Balance				1733298	0.70

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Share Holder	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Manish Gupta	01-Apr-18	132000	0.05	132000	0.05
	ESOP Allotment		455380	0.19	587380	0.24
		31-Mar-19			587380	0.24
2	Gopakumar Gopalan Nair	01-Apr-18	116740	0.05	116740	0.05
		31-Mar-19			116740	0.05
3	Sharat Narasapur	01-Apr-18	71500	0.03	71500	0.03
	Shares bought		2500	0.00	74000	0.03
		31-Mar-19			74000	0.03
4	Kausalya Santhanam	01-Apr-18	0	0	0	0
		31-Mar-19			0	0
5	KEC Rajakumar	01-Apr-18	0	0	0	0
		31-Mar-19			0	0
6	S Devendra Kumar	01-Apr-18	0	0	0	0
		31-Mar-19			0	0
7	Narendra Mairpady	01-Apr-18	0	0	0	0
		31-Mar-19			0	0
8	Tushar P Mistry	01-Apr-18	0	0.00	0	0.00
	Shares bought		1000	0.00	1000	0.00
		31-Mar-19			1000	0.00
9	Krupesh Munjal Mehta	01-Apr-18	50	0.00	50	0.00
		31-Mar-19			50	0.00

V. Indebtedness

Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e., 01 April 2018				
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in indebtedness during the financial year				
Addition	628.82	-	-	628.82
Reduction	(200.00)	-	-	(200.00)
Net change	**428.82**	**-**	**-**	**428.82**
Indebtedness at the end of the financial year i.e., 31 March 2019				
i) Principal amount	428.82	-	-	428.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	428.82	-	-	428.82

VI. Remuneration of Directors and Key Managerial Personnel

(₹ in million)

Sl. No.	Particulars of Remuneration	Total Amount	
		Manish Gupta, Managing Director	Total
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9.29	9.29
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	18.7	18.7
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Options granted during the year 2018-19	-	-
3.	Sweat Equity granted during the year 2018-19	-	-
4.	Commission		
	- as % of Profit	-	-
	- Others, specify		
5.	Others, Variable Pay accrued for the year 2018-19	1.79	1.79
	Total (A)*	**29.78**	**29.78**
	Ceiling as per the Act	Total remuneration as per schedule V of Companies Act, 2013	

*Excludes Company's contribution to provident fund of ₹ 0.69 Million

Note: Mr. Manish Gupta and Mr. Sharat Narasapur received managerial remuneration of ₹11.80 Million and ₹ 7.48 Million respectively from Alivira Animal Health Limited (wholly owned subsidiary of the Company) for the financial year 2018-19

A. Remuneration to other directors

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of directors					Total
		Dr. Gopakumar G Nair	Dr. Kausalya Santhanam	Mr. Narendra Mairpady	Dr. S Devendra Kumar	Mr. K E C Rajakumar	
1	Independent Directors	0.33	0.33	0.33	Nil	Nil	0.99
	- Fee for attending Board/ Committee Meetings						
	- Commission						
	- Others, please specify						
	Total (1)	**0.33**	**0.33**	**0.33**	Nil	Nil	**0.99**
2	Other Non-Executive Directors	Nil	Nil	Nil	0.2	0.15	0.35
	- Fee for attending board/ Committee meetings						
	- Commission						
	- Others, please specify						
	Total (2)	**Nil**	**Nil**	**Nil**	**0.2**	**0.15**	**0.35**
	Total (B) = (1+2)	**0.33**	**0.33**	**0.33**	**0.2**	**0.15**	**1.34**
	Total Managerial Remuneration (A+B)						
	Overall ceiling as per the Act	1% of net profit and sitting fee of ₹ 0.1 Million per Director per meeting					

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

(Rupees in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Tushar Mistry, Chief Financial Officer	Krupesh Mehta, Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5.38	1.47	6.85
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2.	Stock Options granted during the year 2017-18			
3.	Sweat Equity granted during the year 2017-18			
4.	Commission			
	- as % of profit			
	- Others, specify			
5.	Others, Variable Pay for the year 2017-18	1.18	0.05	1.23
	Total	**6.56**	**1.52**	**8.08**

*Excludes Company's contribution to PF ₹ 0.31 Million and ₹ 0.08 Million for Mr. Tushar Mistry and Mr. Krupesh Mehta respectively

VII. Penalties/ Punishment/ Compounding of Offences under the Companies Act, 2013: None

ANNEXURE 3

SeQuent Nomination and Remuneration Policy

Introduction

The Company has adopted a policy namely "SeQuent Policy on Nomination and Remuneration" (the Policy) in adherence to Section 178(3) of the Companies Act, 2013. The policy was approved by the Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on July 30, 2015.

The policy shall act as a guideline on matters relating to the remuneration, appointment, retention, removal and evaluation of performance of the Directors, Key Managerial Personnel, senior management and other employees of the Company as covered under this policy ("Employees").

Definition

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

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

'Committee' means the Nomination and Remuneration Committee.

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

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

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

Scope of the Policy

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

Nomination and Remuneration Committee

The Board has constituted the Committee in line with requirements of the Companies Act, 2013 to oversee the functions related to appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management and Employees.

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

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

Key Objectives of Committee

The Key objectives of the committee are

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

Duties and roles of the committee

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

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

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

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

Term/ Tenure
- Managing Director/ Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re- appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the members of the Company.
- Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for one more term of five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

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

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

Evaluation
The Company has formulated a policy called as SeQuent Board Performance Evaluation Policy. Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the independent directors at regular intervals and at least on an annual basis.

The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised Questionnaires are formulated for evaluating Independent Directors, Non-Independent Directors & Whole-time Directors, Chairperson of the Board; and the Board, as a whole.

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

The Committee may review this policy as and when required.

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

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

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

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

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

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

- Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Long-term rewards: These long-term rewards are linked to contribution to the performance of the Company based on relative position of the personnel in the organisation. These rewards could be in the form/ nature of stock options and are bases on level of employees and their criticality.

- Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the act or without the prior sanction of the Central Government, where required he/ she shall refund such funds to the company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- Variable Pay; The Company may give Variable pay to its Managing Director/ Whole Time Director and other Key Managerial Personnel as per the recommendation of the Committee.

Remuneration to Non-Executive Director / Independent Director:

- Remuneration / Commission: The remuneration/ commission shall be fixed as per the limits mentioned in the Act, subject to approval from the members as applicable.

- Sitting Fees: The Non-Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be approved by the Board. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

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

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

Remuneration to other employees of the Company The Remuneration to other employees shall be as per the HR policy of the Company and shall be based on the role and position, professional experience, responsibility and the industrial standards.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the HR policy of the Company.

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

Employee Stock Option Scheme

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

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

Amendments and Updations

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

ANNEXURE 4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For The Financial year ended 31st March, 2019
[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
SeQuent Scientific Limited
301, 3rd Floor, Dosti Pinnacle,
Plot No. E7 Road No. 22,
Wagle Industrial Estate,
Thane west – 400 604

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that maintenance of proper and updated Books, Papers, Minutes books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our Responsibility is to verify the content of the documents and returns produce before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable) / Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

g. The Securities and Exchange Board of India (Depository and Participant) Regulations, 1996 / Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:

a. The Drugs & Cosmetics Act, 1940;

b. The Drug (Price Control) Order, 2013;

c. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made there under;

d. The Narcotic Drugs and Psychotropic Substances Rules, 1985.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws as mentioned in (vi) above, in addition to the above mentioned Laws (i to v) and applicable to the Company and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same save and except one instance of delay in filing of intimation as required under regulation 7(2)(b) of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulation, 2015 in respect of acquisition of Shares by the Promoter.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

We further Report that, during the year, either there was no event attracting the below mentioned provisions or it was not mandatory on the part of the Company to comply with the following Provisions, Regulations / Guidelines:

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(ii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year, the Company has complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non Compliance in respect of the same.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of Board has remained unaffected during the year.

We also report that adequate notice/s were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (unless agreed by members of Board), and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs.

Signature:-

Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Date: 14 May 2019
Place: Mumbai

Note: This Report has to be read with "Annexure - A"

'ANNEXURE A'

To,
The Members,
SeQuent Scientific Limited
301, 3rd Floor, Dosti Pinnacle,
Plot No. E7 Road No. 22,
Wagle Industrial Estate,
Thane west – 400 604

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:-

Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Date: 14 May 2019
Place: Mumbai

ANNEXURE 5

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

A	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2019:	As on date of this Report, the Board comprises of 7 Directors consisting of 2 Executive Directors, 3 Independent Directors and 2 Non-Executive Director. The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000 for attending each meeting of the Board and ₹ 20,000 for attending each meeting of the Audit Committee and do not receive any other form of remuneration. The ratio of remuneration of Executive Directors to the median remuneration of the employees of the Company for the financial year March 31, 2019: Manish Gupta 50.33 Sharat Narasapur Nil The median remuneration for the period under review is approximately ₹ 198,403

B	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ended March 31, 2019:		
	#	Particulars	% Increase
	1	Manish Gupta	7.96
		Managing Director and Chief Executive Officer	
	2	Mr. Sharat Narasapur	NA
		Joint Managing Director	
	3	Mr. Tushar Mistry	9.70
		Chief Financial Officer	
	4	Krupesh Mehta	20.31
		Company Secretary	
	c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2019	65.94
	d.	The number of permanent employees on the rolls of Company as at March 31, 2019	293
	h.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	On an average, employees received an annual increase of 6.57%

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

For and on Behalf of the Board of Directors

Place: Thane
Date: 31 July 2019

Dr. Gopakumar G Nair
Chairman

(i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
(ii) if there is an even number of observations, the median shall be the average of the two middle values.

ANNEXURE 6

Form No. AOC – 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2019 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are as below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (Rupees in Million	Date(s) of approval by the Board	Amount paid as advances, if any
1	Alivira Animal Health Limited, India	Sales of material / services	Up to 31 March 2019	The Company supplied Active Pharmaceuticals Ingredient (API) and Intermediates.	848.83	May 24, 2018	-
		Purchases of material / services	Up to 31 March 2019	The Company procured Active Pharmaceuticals Ingredient (API).	240.76	May 24, 2018	-
		Equity investment	17 October 2018	To increase the permanent capital requirement for business operation and expansion.	1,547.96	May 24, 2018	-
		Loan & advances given	Up to 31 March 2019	To fulfill the funding requirement as and when need arises.	1028.00	May 24, 2018	-
		Loan & advances repaid	Up to 31 March 2019	To fulfill the funding requirement as and when need arises.	1,666.46	May 24, 2018	-
		Corporate guarantee given	Up to 31 March 2019	To avail the borrowing from banks and / or financial institution.	1,917.22	May 24, 2018	-

For and on Behalf of the Board of Directors

Place: Thane
Date: 31 July 2019

Dr. Gopakumar G Nair
Chairman

ANNEXURE 7

Annual Report on CSR Activities

1. **Brief outline of the Company's CSR policy**
   The Company intends to undertake its corporate social responsibility in a strategic manner. The Company will leverage its strategic, financial, human resources, marketing, research and business skills to create maximum impact for its beneficiaries both internal and external.

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

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

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

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

Some of the areas that the Company proposes to invest through CSR include Health & Sanitation, Education, Environment and Livelihood etc.

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

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

2. **The composition of the CSR Committee**
   The CSR Committee consists of the following members:
   - Dr. Gopakumar G Nair, Chairman
   - Mr. Manish Gupta
   - Dr. Kausalya Santhanam

3. **Average net profit of the Company for last three financial years:** ₹ 16 million

4. **The prescribed CSR Expenditure (two per cent of the amount mentioned in item 3):**
   ₹ 0.33 million

5. **Details of CSR spent during the financial year:**

   Total amount spent during the year: ₹ 1.01 million (including last year ₹ 0.58 million)

   Amount unspent, if any: NIL

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

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

For and on behalf of CSR Committee and Board of Directors of Sequent Scientific Limited

Place: Thane
Date: 31 July 2019

Manish Gupta
Managing Director

ANNEXURE 8

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

A. Conservation of Energy

Form A

Disclosure of Particulars with respect to Conservation of Energy.

	2018-19	2017-18
A. Power and fuel consumption:		
1. Electricity:		
(a) Purchased	46,37,037	1,09,85,373
Total amount (₹ in million)	**42.68**	**82.85**
Rate / Unit (₹)	9.20	7.54
(b) Own Generation - through Diesel		
Generator Set:	727.27	3,81,548
Unit	3.17	3.20
Units per-litre of diesel oil		
Cost / Unit (₹)	22.98	17.40
2. Coal:		
Quantity (tonnes)	18.6	NIL
Total Cost (₹ in million)	**0.14**	**NIL**
Average rate (₹)	7.67	
3. Furnace Oil / Light Diesel Oil:		
(A) Light Diesel Oil:		
Quantity (litres)	6,800	6,270
Total amount (₹ in million)	**0.25**	**0.24**
Rate / Litre (₹)	36.53	37.89
(B) Furnace Oil:		
Quantity (litres)	4,15,813	3,96,255
Total amount (₹ in million)	**15.02**	**10.97**
Rate / Litre (₹)	36.11	27.69
(C) Diesel:		
Quantity (litres)	22,954	1,19,234
Total amount (₹ in million)	**1.67**	**6.64**
Rate / Litre (₹)	72.81	55.68
Others / Internal Generation:		
(A) Natural Gas		
Quantity (scm)	NIL	NIL
Total Cost (₹ in million)	NIL	NIL
Rate / Unit (₹)	NIL	
(B) Briquettes		
Quantity (Kg)	33,09,072	37,75,126
Total Cost (₹ in million)	**19.28**	**20.67**
Rate / Unit (₹)	5.83	5.48
(C) Krr-Blaze		
Quantity (Kg)	NIL	NIL
Total Cost (₹ in million)	NIL	NIL
Rate / Unit (₹)		NIL

Form B

a. Measures taken for the year 2018-19

1. Briquette fired Boiler of 4T/hr installed and commissioned. This reduces operating cost and eliminates usage of fossil fuel (FO).

2. Plant, canteen, office, & street lights are replaced with LEDs, reduces the power compared to conventional lighting system.

3. Water ring & Oil ring vacuum pumps replaced with water & steam jet ejectors. This will eliminate the usage of oil in the vacuum pump and reduces operating cost.

4. Electrical power supply done through power banking system from private power generating units, resulting efficient and economical power supply.

5. Expansion of Effluent Treatment Plant (ETP) including Multiple Effect Evaporator (MEE) is done to make Mangalore a Zero Discharge Unit.

6. Reverse Osmosis (RO) plant installed in Effluent Treatment Plant (ETP) as tertiary treatment facility. The permeate water from the RO plant is used for the general purpose there by reducing the fresh water in-take.

7. Expansion of Effluent Treatment Plant (ETP) carried out by installing Agitated Thin Film Dryer (ATFD) to separate the salts present in high TDS effluents. This will reduce the load on the Multiple Effect Evaporator (MEE) and improves the effluent treatment plant performance.

8. Temperature controllers installed for the cooling tower fans, to switch off the fan when the cooling tower water comes to the pre-set temperature.

9. Installed energy SAVER for plant lighting. Power saving Approx. 230 Units/Day.

10. Recycling of Steam condensate water from Fluid bed drier 's and Air tray drier to boiler instead of sending to ETP as LTDS. Savings of 60 KL / Month

11. Production block lights are installed with CFL bulb / tubes

b. Steps taken or impact on conservation of energy 2018-19

1. Continue replacing CFL bulbs with LEDs in balance departments. – in progress

2. Production block, final product processing area converted the Air-conditioning system from Direct Expansion (DX) air cooled type to Chilled water coil. This reduced the electrical consumption.

3. Installation of temperature controller on the hot water system done which cut off the steam supply after the hot water reaches the pre-set temperature. This reduced the steam consumption.

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

5. Recycling of Thermopack pump gland cooling water, reduced water consumption & reduced ETP load.

6. Recycling of Steam condensate water from Fluid bed drier 's and Air tray drier to boiler instead of sending to ETP as LTDS. Savings of 60 KL / Month

7. Production Change room, R&D labs, QA office and QC lab modified with LED`s

B. Foreign Exchange earnings and Outgo:

Details of foreign exchange earnings and outgo are provided in notes to the accounts.

C. Technology Absorption

Research & Development (R&D):

During the financial year the Company has undertaken no R&D activities. However, the Company has carried out R&D activities through its subsidiaries.

Expenditure on R&D

(₹ in million)

	2018-19	2017-18
Capital	**Nil**	**Nil**
Recurring	**Nil**	55.79
Total	**Nil**	**55.79**

For and on Behalf of the Board of Directors

Place: Thane
Date: 31 July 2019

Dr. Gopakumar G Nair
Chairman

ANNEXURE 9

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 forming part of the Directors' Report for the year ended March 31, 2019

A. Details related to Employee Stock Option Scheme

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

In the Board meeting dated March 29, 2010, the Company has allotted 700,000 equity shares to the ESOP trust with a Face value of ₹ 10 per share at a premium of ₹ 103 per share. On March 26, 2019, Company has allotted 31,34,800 equity shares to the ESOP trust with a Face value of ₹ 2 per share at a premium of ₹ 42.64 per share. As at March 31, 2019, 40,81,620 equity shares (March 31, 2018 – 14,45,200 equity shares) of ₹ 2 each are reserved towards outstanding Employee Stock Options granted / available for grant.

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

During the current year, the Nomination and Remuniation Committee in its meeting held on November 2, 2018 has granted 26,60,000 options under SSL ESOP Scheme 2010 ("Sequent ESOP 2010") to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares.

Option movement during the year 2018-19

Particulars	Sequent ESOP 2010
Number of options outstanding as at April 1, 2018	24,41,000
Number of options granted during year	26,60,000
Number of options forfeited / lapsed during the year	50,000
Number of options vested during the year	4,43,750
Number of options exercised during the year	4,98,380
Number of shares arising as a result of exercise of options	4,98,380
Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	₹ 67,38,800
Options outstanding as at March 31, 2019	45,52,620
Options exercisable as at March 31, 2019	17,11,370

Variation of terms of options	Nil
Weighted average exercise price of options	36.48
Weighted average fair values of options	55.71
Range of exercise price for options outstanding at the end of the year	₹ 10 to 87 per option

B. Employee-wise details of options granted during the year

Sl. No.	Name of employee	Designation	No. of options granted during the year	Exercise price
a.	Key managerial personnel/ Senior managerial personnel			
1.	Mr. Sharat Narasapur	Joint Managing Director	2,50,000	₹ 40 per option
2.	Mr. Tushar P Mistry	Chief Financial Officer	2,50,000	₹ 40 per option
3.	Mr. Krupesh Mehta	Company Secretary	25,000	₹ 40 per option
b.	Any other employees who received a grant in any one year of option amounting to 5% or more of options granted during the year			
	Not Applicable			
c.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant			
	Nil			

Details related to Trust

	Particulars	Details
1	Name of the Trust	Sequent Scientific Employee Stock Option Plan Trust
2	Details of the Trustees	Mr. Ravi Kumar Aray and Mr. Prasad Lad
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 16,03,85,604
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

Brief details of transactions in shares by the Trust

(a)	Number of shares held as at April 1, 2018	1,445,200
(b)	Number of shares acquired during the year through	
	(i) primary issuance	31,34,800
	· 'acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees on exercise of options under Sequent ESOP Scheme 2010	4,98,380
(d)	Number of shares held as at March 31, 2019	40,81,620

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is set out below:

1. Company's philosophy on code of governance

Your Company believes in creating wealth for all its shareholders. In pursuit of this objective, the Policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value.

All decisions are taken in the interest of the shareholders. The Board and the management are aware and conscious of minority shareholder's interest and everything is done to enhance shareholders' value. Hence, considerable emphasis is placed on accountability in decision-making and ethics in implementing them.

Adequate and timely information is critical to accountability. The Company believes to act in the spirit of law and not just the letter of law. We aim at providing complete transparency in our operations.

2. Board of Directors:

Composition of Board

The composition of Board of Directors of the Company is an appropriate combination of Executive and Non-Executive Directors. As on date the Board consists of seven directors with more than fifty percent of the Board being Non-executive. The Board consist of three Non-Executive Independent Directors.

The Independent Directors of the Company fulfill the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 (1) of the Regulations. The Company has received declarations from the Independent Directors that they meet with the criteria of independence as prescribed under Section 149(6) of the Act. A formal letter of appointment as provided in the Act and the Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors and the profile of Directors are disclosed on the website of the Company i.e. www.sequent.in.

Board Meetings held during the year

During the year ended 31 March 2019, 5 (Five) Board Meetings were held. These meetings were held on May 24, 2018, August 9, 2018, September 27, 2018, November 2, 2018 and February 1, 2019.

In case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board Meeting.

Skills/ Expertise/ Competencies of the Board of directors

Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, a chart or a matrix setting out the skills / expertise/ competence of the Board of Directors of the Company needs to be reported as part of the Annual Report for the financial year 2018-19

In view of above the company has identified below given skills.

Part A: relating to Industry knowledge experience

» Pharmaceutical Industry Experience

» Global regulatory requirements

» Knowledge about Peer Companies

» Entrepreneurship

» Environment/ Sustainability/ Corporate Responsibility

Part B: relating to Technical Skills

» Strategy & Business Development

» Quality Assurance

» Finance, Accounting & Taxation

» Statutory / Regulatory compliance

» Human Resources / Industrial Relations

» Risk Management & Mitigation

» Stakeholder communication/ Investor Relations

Composition of the Board and Directorships held as at March 31, 2019:

Name of the Director	Category of Director	Number of other Directorships	Number of memberships in other Board Committees	Chairmanships in Board Committees	Name of the Listed Company	Category of Director in the listed entity
Dr. Gopakumar Nair	Independent Non-Executive Director	2	-	-	-	-
Dr. Kausalya Santhanam	Independent Non-Executive Director	1	2	-	Solara Active Pharma Sciences Limited	Non-Executive Independent Director
Mr. Narendra Mairpady	Independent Non-Executive Director	8	3	3	- Adani Enterprises Limited - *Shetron Limited - *Mangalore Chemicals and fertilizers Limited	Non-Executive Independent Director
Mr. Manish Gupta	Executive Director	2	-	-	-	
Mr. Sharat Narasapur	Executive Director	2	-	-	-	
Dr. S Devendra Kumar	Non-Executive Director	1	-	-	-	
Mr. KEC Rajakumar	Non-Executive Director	1	-	-	Consolidated Construction Consortium Limited	Non-Executive Nominee Director

Notes:

1. No. of other directorships include directorships in Public Limited Companies and excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. The disclosure excludes directorships and the committee chairmanships and memberships in the Company.
3. The disclosure includes memberships and chairmanships in the Audit Committee and the Stakeholders Relationship Committee in public limited companies and excludes all other memberships and chairmanships in other committees.
4. Number of committee memberships and chairmanships in all Public Limited Companies are considered for the purpose of disclosure and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 have been excluded.
5. None of the directors holds directorships in more than twenty companies including maximum limit of 10 Public Companies, memberships in more than ten Committees in all Public Limited Companies excluding the committee memberships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and chairmanships in more than five Committees across all listed companies in which he is a director.
6. None of the directors is related to any other Director in the Company.
7. None of the Independent Directors serves as Independent Director in more than seven listed entities.

*8. Mr. Narendra Mairpady resigned from the Board of Shetron Limited and Mangalore Chemicals and fertilizers Limited on April 11, 2019 and April 5, 2019 respectively.

Separate Meeting of Independent Directors

In terms of provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on May 24, 2018 in the year 2018-19 without the presence of Non- Independent Directors or senior management of the Company.

The independent directors in the meeting inter-alia:

i. reviewed the performance of non-independent directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii. assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation programme for Independent Directors/ Non-Executive Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with Company's procedures and practices. Periodic presentations are made at the Board Meetings on regulatory updates, roles and responsibilities as a Director of the Company, updates on industry in which the Company operates and business model of the Company.

The details on familiarisation programme is disclosed on the website of the Company www.sequent.in (web link: http://sequent.in/pdf/independent-director/ Sequent_Familiarisation Programme for Independent Directors.pdf).

Attendance at Board meetings and last Annual General Meeting

The attendance of each Director at Board Meeting held during the year and the last Annual General Meeting (AGM) is as under:

Sr. No.	Name of the Director	No. of Board Meetings held during the financial year 2018 – 2019	Attendance at the Board Meetings	Attendance at the last AGM
1.	Dr. Gopa kumar Nair	5	5	Present
2.	Mr. Manish Gupta	5	5	Present
3.	Mr. Sharat Narasapur	5	5	Present
4.	Dr. Kausalya Santhanam	5	5	Present
5.	Mr. Narendra Mairpady	5	5	Present
6.	Dr. S Devendra Kumar	5	4	Absent
7.	Mr. K E C Rajakumar	5	3	Absent

3. AUDIT COMMITTEE

The Company has set up an Audit Committee in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

Terms of Reference

The Company has an independent Audit Committee. The composition, procedures, powers and role/ functions of the Audit Committee, constituted by the Company, comply with requirements of the Companies Act, 2013 and the Listing Agreement as entered with the Stock Exchange/ Regulations.

The Audit Committee has the following responsibilities/ powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to ;
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinions in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the financials of unlisted subsidiaries, in particular the investment made by unlisted subsidiaries;
21. Reviewing the statement of deviations:
    a. Quarterly statement of deviations including report of monitoring agency, if applicable, submitted to stock exchange in terms of the Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    b. Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To review the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments existing as on the date of coming into force of this provision.

Composition of Audit Committee, Meetings held and attendance during the year.
As on date the Committee has three members consisting of Non-Executive Independent Directors,

During the year ended 31 March 2019, 4 (Four) Audit Committee Meetings were held. These meetings were held on May 24, 2018, August 9, 2018, November 2, 2018 and February 1, 2019

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Gopakumar Nair	Chairman	4	4
2.	Dr. Kausalya Santhanam	Member	4	4
3.	Mr. Narendra Mairpady	Member	4	4

The Company Secretary of the Company also acts as the secretary to this Committee.

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee has been constituted in terms of Section 178 of the Act and Remuneration 19 of the Listing Regulations.

Terms of reference
The role of the Nomination and Remuneration Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. Discussing and deciding on whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Director
6. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition of Nomination and Remuneration Committee

As on date the Committee has three members consisting of Non-executive Independent Directors.

During the year ended 31 March 2019, 3 (Three) Nomination and Remuneration Committee meetings were held. These meetings were held on May 24, 2018, November 2, 2018 and February 1, 2019.

Details of Members and meetings attended by them during the year are as under:

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Kausalya Santhanam	Chairman	3	3
2.	Dr. Gopakumar Nair	Member	3	3
3.	Mr. Narendra Mairpady	Member	3	3

The Company Secretary of the Company acts as the secretary to the Committee.

Remuneration Policy

The Committee recommends the compensation package to the executive directors of the Company. The remuneration will include salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high calibre talent. The Policy is available at the following link: http://sequent.in/pdf/policies/ Sequent_Nomination_and_Remuneration_Policy.pdf.

Performance evaluation criteria for independent directors

Pursuant to provisions of the Companies Act, 2013 and the Listing Regulations, the Company has formulated a policy called as SeQuent Board Performance Evaluation Policy ("the Policy"). Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the Independent Directors at regular intervals and at least on an annual basis.

The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole.

Based on the Policy the evaluation was conducted by the Company. The entire Board will evaluate the performance of independent directors excluding the director being evaluated on annual basis as per the policy. Based on the report of performance evaluation, the Company will determine whether to extend or continue the term of appointment of the Independent Director.

Remuneration paid to Directors

₹ in million

Name of the Director	Salary	Benefits	Bonus	Sitting Fees	Pension	Variable Pay	Total
Mr. Manish Gupta (Managing Director)	9.29	-	-	-	-	1.79	11.08
Dr. Gopakumar Nair (Independent Director)	-	-	-	0.33	-	-	0.33
Mr. Sharat Narasapur (Joint Managing Director)	-	-	-	-	-	-	-
Dr. Kausalya Santhanam (Independent Director)	-	-	-	0.33	-	-	0.33
Mr. Narendra Mairpady (Independent Director)	-	-	-	0.33	-	-	0.33
Dr. S Devendra (Non-executive Director)	-	-	-	0.20	-	-	0.20
Mr. KEC Rajakumar (Non-executive Director)	-	-	-	0.15	-	-	0.15

Note: # Total remuneration of Mr. Manish Gupta excludes company's contribution to Provident Fund of ₹ 0.69 million. Mr. Manish Gupta also received remuneration of ₹ 11.80 million from Alivira Animal Health Limited, a Wholly- Owned Subsidiary of the Company for the financial year 2018-19. Mr. Sharat Narasapur received remuneration of ₹ 7.48 million from Alivira Animal Health Limited, a Wholly-Owned Subsidiary of the Company for the financial year 2018-19

As per the policy of the Company a notice period of 3 months is applicable to a whole time director of the Company and no severance fee paid to any whole time director.

As on 31 March 2019, the Company has granted 2,000,000 stock options to Mr. Manish Gupta all stock options have vested on him of which 578,380 stock options have been exercised.

250,000 stock options have been granted to Mr. Sharat Narasapur out of which 125,000 stock options have vested on him of which 62,500 stock options have been exercised. He was granted additional 250,000 stock options in November 2018.

During the financial year 2018-19, the non-executive directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the meetings of Board and Audit Committee of the Company.

The Company does not pay any remuneration to non- executive directors apart from sitting fee for attending the meetings of Board and Audit Committee of the Company. The Company paid ₹ 50,000/- for a meeting of Board of Directors per director and ₹ 20,000/- for a meeting of audit committee per member of the committee. The Company has revised the setting fees for the board meeting from ₹ 50,000 to ₹ 100,000 with effect from April 01, 2019.

The Managing Director and the Joint Managing Director are eligible for variable pay against the performance criteria as set by the Company. Further, their contract is governed by service period applicable as per the internal policies of the Company.

5. Stakeholders Relationship Committee

The Stakeholders Relationship committee has been constituted in terms of the provisions related thereto in the Companies Act, 2013 and Regulation 20 of the Listing Regulations under the chairmanship of a Non-Executive Director.

Terms of Reference:

1. To specifically look into various aspects of interest of shareholders and other security holders.
2. To review and redress complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc of shareholders.
3. To ensure effective exercise of voting rights by the shareholders
4. To review measures taken to reduce the quantum of unclaimed dividend
5. To review adherence to the service standards adopted by the Listed entity in respect of various services being rendered by the registrar and share transfer agent.

Composition of the Committee

As on date the committee comprises of three Non-Executive Independent Directors of the Company. The Committee is headed by Dr. Kausalya Santhanam, a Non-Executive Independent Director of the Company.

During the year ended 31 March 2019, 4 (Four) Meetings were held. These meetings were held on 24 May 2018, 9 August 2018, 2 November 2018 and 1 February 2019.

Composition of Committee

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Kausalya Santhanam	Chairman	4	4
2.	Dr. Gopakumar Nair	Member	4	4
3.	Mr. Narendra Mairpady	Member	4	4

The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee has delegated the power of share transfer to the Compliance Officer of the Company. The delegated authority will attend for the matter of share transfer formalities on a regular basis.

Shareholders Complaint details: There was one complaint received from a shareholder of the Company during the year, which was resolved and there were no complaints pending as on March 31,2019

The designated email address for shareholders complaints is investors@sequent.in.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted under Section 135 of the Companies Act, 2013 and comprises of Dr. Gopakumar G Nair as Chairman, Mr. Manish Gupta and Dr. Kausalaya Santhanam as Members.

The Company Secretary acts as the Secretary to the Committee.

The Committee met twice on May 24, 2018 and February 1, 2019. All the Members attended the Meetings.

6. General Body Meetings:

Details of the last three Annual General Meetings of the Company and Special Resolutions passed in that meeting are as below:

Financial Year	Date and Time	Venue	Special Resolutions
2015-16	September 23, 2016 at 11:30 A.M.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the related party transactions of the Company. • Re-appointment of Dr. Gautam Kumar Das as Joint Managing Director
2016-17	September 26, 2017 at 11:30 A.M.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the related party transactions of the Company. • Appointment of Mr. Sharat Narasapur as Joint Managing Direct
2017-18	September 27, 2018 at 11:30 A.M.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the continuation of the current term of Dr. Gopakumar Nair as an Independent Director of the Company

Details of resolutions passed through Postal Ballot:

During the year ended March 31, 2019, no postal ballots were undertaken by the Company.

7. Disclosures:

i. The Company has not entered into any transaction of a material nature with the promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note 44 to the standalone financial statements in the Annual Report.

The Company has formulated policy for Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries called as SeQuent Scientific Limited - Policy on Related Party Transactions and the same is displayed on the website of the Company. i.e. www.sequent.in (web link: http://sequent.in/ pdf/policies/Sequent_Policy on Determination of Material Subsidiaries.pdf) and (http://www.sequent.in/pdf/policies/Sequent_Policy%20on%20Related%20Party%20Transactions.pdf)

ii. The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India ("SEBI") and other statutory authorities on matters relating to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.

iii. Company is in compliance with all mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Regulations.

iv. The Company had appointed Price Waterhouse Coopers Private Limited, Chartered Accountants as internal auditors of the Company for the financial year 2018-19. The reports of internal auditors are placed before the Audit Committee on a quarterly basis and the risk assessment and mitigation recommendations forms part of their presentation to the Audit Committee.

v. Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Listing Regulations, the Company has established the Vigil Mechanism, as part of the Whistle Blower Policy, for the Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct.

It also provides adequate safeguards against the victimisation of employees who avail this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

During the year, the board amended the existing Whistle Blower Policy to extend the applicability of the Policy to all the stakeholders of the Company and incorporate the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, in the Policy and confirm that no personnel have been denied access to the Audit Committee.

Details of Vigil Mechanism (Whistle Blower Mechanism) are provided in the Board Report

vi. During the year ended March 31, 2019, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The Company has no commodity price risk and commodity hedging activities.

vii. In addition to the same, your Company also strives to adhere and comply with the discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the Listing Regulations, to the extent applicable.

a. The Company has appointed separate persons for the post of Chairman and Managing Director.

b. The Company already has a regime of un-qualified financial statements.

c. The Internal Auditor is appointed by the Audit Committee and makes a presentation of their findings to the Audit Committee.

viii. The disclosure pertaining to Sexual Harassment of Women at work place is disclosed in the Boards Report.

8. Details of Shareholding of Non-Executive Directors:

Name	No. of shares held as at March 31, 2019
Dr. Gopakumar G Nair	116,740
Dr. Kausalya Santhanam	Nil
Mr. Narendra Mairpady	Nil
Dr. S. Devendra Kumar	Nil
Mr. K E C Raja Kumar	Nil

9. Means of Communication

(a) The quarterly results are forthwith communicated to the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") as soon as they are approved and taken on record

(b) The results are published generally in The Free Press Journal (English), Nav-Shakti (Marathi) and Business Standard (English) newspapers

(c) The results and share holding pattern of the Company are displayed on the website of the Company i.e. www.sequent.in

(d) The official news releases are intimated to stock exchanges (BSE & NSE) and also displayed on the website of the Company i.e. www.sequent.in

(e) The presentations made to analysts and investors are displayed on the website of the Company i.e. www.sequent.in

10. General shareholder information

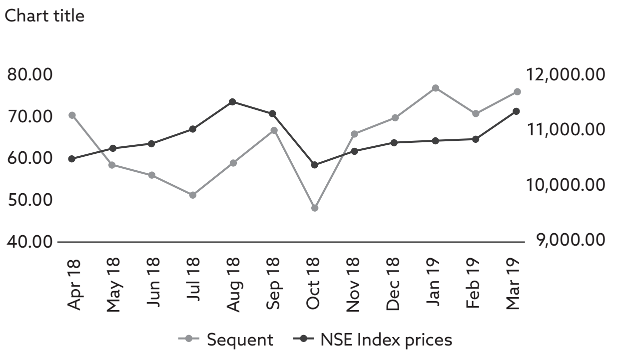
AGM: Date, Time and Venue	Thursday, August 29, 2019, 11.30 a.m. Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (West) - 400 606
Financial Year	1 April to 31 March
Dividend payment date	Within 30 days from the date of the AGM
Listing on Stock Exchanges	Stock Code: BSE: 512529 BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 NSE: SEQUENT The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Bloomberg: SEQ:IN ISIN: INE807F01027 The Company has paid listing fee for the financial year 2019 -20 to the Stock Exchanges
Registrar & Transfer Agents	Karvy Fintech Pvt. Ltd, Karvy Selenium, Tower - B, Plot No. 31 & 32, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana 500 032
Share transfer system	The shares of the Company are tradable compulsorily in demat mode. Physical share transfers are attended on a regular basis and the Company Secretary is authorised to approve such transfers
Address for Correspondence	Mr. Tushar Mistry, Chief Financial Officer SeQuent Scientific Limited 301, 'Dosti Pinnacle', Plot No. E7, Road No.22, Wagle Industrial Estate, Thane(West) - 400 604 Email: investors@sequent.in

Market Price Data (High, Low during each month in financial year 2018-19)

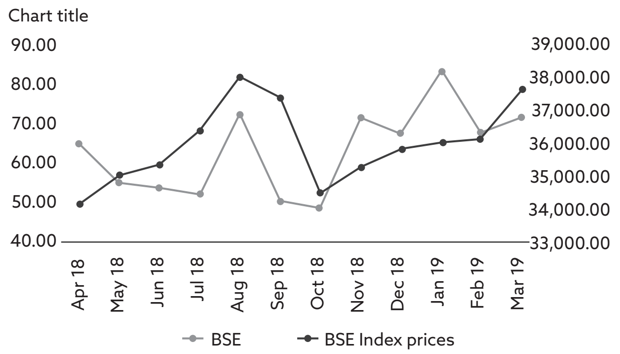
Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2018	83.00	64.00	81.80	64.00
May 2018	68.50	46.05	68.35	45.10
June 2018	68.70	44.65	69.70	44.45
July 2018	56.00	47.80	56.10	47.95
August 2018	75.95	46.60	76.20	47.25
September 2018	77.20	50.40	77.40	50.40
October 2018	56.80	42.45	56.95	42.65
November 2018	73.00	47.40	73.25	48.60
December 2018	74.00	62.00	73.90	61.65
January 2019	89.00	63.25	89.25	63.50
February 2019	83.70	61.85	83.7	61.5
March 2019	82.65	69.90	82.75	70.00

Performance in Share comparison to BSE and NSE Indices

SEQUENT vs SENSEX



SEQUENT vs NIFTY



Distribution Schedule as at March 31, 2019:

	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% of Total Paid Up Capital
1-500	12896	71.98	2115661	4231322	0.86
501-1000	1917	10.70	1619203	3238406	0.66
1001-2000	1152	6.43	1805736	3611472	0.73
2001-3000	526	2.94	1358718	2717436	0.55
3001-4000	239	1.33	861066	1722132	0.35
4001-5000	237	1.32	1134724	2269448	0.46
5001-10000	425	2.37	3181093	6362186	1.29
10001 & above	525	2.93	234794794	469589588	95.10
Total	17917	100	246870995	493741990	100

Bifurcation of shares held in physical and demat as at 31 March 2019

Particulars of Equity Shares	Equity Shares of ₹ 2 each	
	Number	% of Total
NSDL	223,432,676	90.51
CDSL	20,253,489	8.20
Sub-Total	243,686,165	98.71
Physical	3,184,830	1.29
Total	**246,870,995**	**100.00**

Shareholding pattern of Equity Shares as at 31 March 2019

Category	Number of Shareholders	Number of Shares held	% to total paid up Capital
Promoters & Promoter Group Companies	18	139472640	56.5
Bodies Corporate	342	27926788	11.31
Banks / Mutual Funds/ Financial Institutions (FIs)	10	10036125	4.06
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	34	23458240	9.50
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	350	8039959	3.26
Resident Individuals	16417	31317502	12.69
Directors (Excluding promoter directors) & their relatives	3	778120	0.31
Trusts	4	4086620	1.66
Others	739	1755001	0.71
TOTAL	**17,917**	**246870995**	**100**

Dematerialisation of shares and liquidity:
The Company's shares are tradable compulsorily in dematerialised form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Registrars and Share Transfer Agents. As on 31 March 2019, 243,686,165 shares representing 98.71% of the paid-up share capital of the Company were held in dematerialised mode.

Change in Registrar and share transfer agent
The Company has appointed Karvy fintech Private Limited as the Registrars and Share Transfer Agents in place of Adroit Corporate Services Private Limited with effect from February 20, 2019.

Outstanding ADRs/GDRs/warrants/ other convertible instruments:
The Company has no outstanding GDRs / ADRs / Warrants or any convertible instruments, as of date.

ESOPs:
Your Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010" (the "ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines"), pursuant to a special resolution passed by the shareholders of the Company on 25 March 2008 and further modified by the Board in its meetings held on 27 January 2010 and 28 May 2014.

The purpose of ESOP 2010 was to provide the employees with an additional incentive in the form of options to receive the equity shares of the Company at a future date. The ESOP is aimed to reward employees of our Company for their continuous hard work, dedication and support. The main objective of the ESOP Scheme is to recognise employees who are performing well, a certain minimum opportunity to gain from our Company's performance thereby acting as a retention tool and to attract best talent available in the market.

Under ESOP 2010, your Company has issued and allotted 700,000 Equity Shares of INR 10 each at a price of INR 113 per Equity Share (prior to sub-division of 1 equity share of 10 each to 5 equity shares of 2 each) to SeQuent Scientific Employee Stock Option Plan Trust, an independent ESOP trust. On exercise of the options by the option grantee, the trust transfers the Equity Shares to the eligible employee, in accordance with directions and recommendations of the Nomination & Remuneration Committee.

During the year, the Company further allotted 31,34,800 equity shares of ₹ 2 each at a price of ₹ 44.64 to Sequent Scientific Employee Stock Option Plan Trust.

Details with respect to employee stock options under the ESOP 2010 as at 31 March 2019 are provided in the table below

Sr. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1.	Total number of options outstanding at the beginning of the year	24,41,000
2.	Total number of options granted under ESOP 2010 during the Year	26,60,000
3.	Options vested during the year	4,43,750
4.	Options exercised during the year	4,98,380
5.	Options lapsed or forfeited during the year	50,000
6.	Total number of options outstanding at the end of the year	45,52,620

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website.

A certificate from M/s. Deloitte Haskins & Sells, Statutory Auditors, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing Annual General Meeting for inspection by the Members and a copy will also be available for inspection at the Registered Office of the Company.

Fees paid to Auditors

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹ 12.25 Million.

Plant Locations

Interchange, Brazil Rua João Baptista de Queiroz Júnior, 447 Jd. Myriam | ZIP 13.098-415 Campinas-SP	Karizoo, Spain Polig. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui (Barcelona) Spain	Provet Veteriner Ürünleri San. ve Tic. A. S., Turkey: Polatlı Organise Sanayi Bölgesi 210., Cad de no:7 Polatlı/ Ankara, Turkey
Alivira Animal Health Limited Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam,Andhra Pradesh, India	Alivira Animal Health Limited Plot Nos. A-68, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra, India	SeQuent Scientific Limited Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar Dist. Thane, Maharashtra, India
Sequent Scientific Limited Plot Nos. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad. Maharashtra	BREMER PHARMA GMBH Werkstr. 42 34414 Warburg Deutschland	

Certification from practicing Company Secretary

The company has obtained a certificate from Nilesh Shah & Associates, Company Secretaries as required under Listing Regulations confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is appended to this report.

11. CODE OF CONDUCT

The Board has prescribed Code of Conduct ("Code") for all Board Members and Senior Management of the Company.

The Code of Conduct is also posted on the website of the Company. All Board Members and Senior Management personnel have confirmed compliance with the code for the financial year 2018-19.

A declaration to this effect signed by Mr. Manish Gupta, Managing Director and Chief Executive Officer is reproduced below:

In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, I hereby confirm that; all the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for the Members of the Board and the Senior Management, as applicable to them, in respect of the financial year 2018-19.

Note: The information given herein above is as of 31 March 2019, unless otherwise stated.

For and on behalf of the Board of Directors

Place: Thane
Date: 14 May 2019

Manish Gupta
Managing Director

'ANNEXURE A'

CERTIFICATE ON ELIGIBILITY OF DIRECTORS

To
The Members of
Sequent Scientific Limited
Mumbai.

We have verified Company's Books, Papers, Minutes Books, Forms, Registers and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives in connection with issue of this certificate in terms of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide notification dated May 9, 2018.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we hereby report that in our opinion, none of the directors on the Board of Sequent Scientific Limited, have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority for the financial year ended March 31, 2019.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nilesh Shah & Associates
Company Secretaries

Nilesh G. Shah
Partner (FCS - 4554)
C. P. No: 2631

Place: Mumbai
Date: 14 May 2019

TO THE MEMBERS OF SEQUENT SCIENTIFIC LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 28, 2018.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of SeQuent Scientific Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)

Place: Banglore
Date: 31 July 2019
UDIN: 19206920AAAADA5116

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Sequent Scientific Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SEQUENT SCIENTIFIC LIMITED Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment assessment of Goodwill including intangible assets** Refer Note 4 and 5 to the consolidated financial statements The Group carries goodwill and intangible assets of ₹ 2,209.72 million and ₹ 555.54 million respectively as at 31 March 2019. As indicated in note 2A(xix) to the consolidated financial statements, the management of the Group assesses the impairment of goodwill annually for each cash generating unit (CGU). The carrying values of goodwill and intangible assets will be recovered through future cash flows and there is a risk of material impairment loss where the actual future cash flows arising from the CGU's are less than expected. The impairment assessment performed by the Management contained a number of significant judgements and estimates including short-term and long-term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in impairment assessment by the Management.	Principal audit procedures performed: We assessed the Management's process for impairment assessment of goodwill including intangible assets. We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: » Evaluated the design of the management's internal control around the impairment assessment process. » Understood the key assumptions considered in the management's estimates of future cash flows. » Involved internal experts to evaluate the key assumptions for short-term and long-term growth rates considered in the estimates of future cash flows and the discount rates used in the calculations. » Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. » Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. » We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. » We further assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended March 31, 2019.

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

» The Parent Company's management and Board of directors are responsible for the other information. The other information comprises the information included in the Management discussion and analysis, Board's report including Annexures to Board's report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

» Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

» Obtain an understanding of internal financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

» Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

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

» Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of thirteen subsidiaries included in the consolidated financial statement, whose financial statements reflect total assets of ₹ 8,715.64 million as at March 31, 2019, total revenues of ₹ 6,703.60 million and net cash inflows amounting to ₹ 281.07 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of nine subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 377.86 million as at March 31, 2019, total revenues of ₹ 46.39 million and net cash outflows amounting to ₹ 8.87 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries incorporated in India, referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent company and subsidiary companies incorporated in India.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of 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:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)
THANE, May 14, 2019
SPK/JKS/DSS/2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of SEQUENT SCIENTIFIC LIMITED (hereinafter referred to as "the Parent Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 respective 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 internal financial controls over financial reporting of the Parent Company and its subsidiary companies which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)
THANE, May 14, 2019
SPK/JKS/DSS/2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

All amounts are in ₹ million unless otherwise stated

		Notes	As at 31 March 2019	As at 31 March 2018
A	**ASSETS**			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3	**2,270.30**	2,135.14
	(b) Capital work-in-progress	3	**172.00**	134.06
	(c) Goodwill	4	**2,209.72**	2,021.93
	(d) Other intangible assets	5	**501.39**	602.65
	(e) Intangible assets under development	5	**54.15**	46.32
	(f) Financial assets			
	(i) Investments	6	**1,796.50**	2,217.33
	(ii) Other financial assets	7	**49.77**	49.54
	(g) Deferred tax assets (net)	24	**142.56**	211.91
	(h) Income tax assets (net)	8	**45.81**	44.81
	(i) Other non-current assets	9	**636.70**	583.78
	Total non-current assets		**7,878.90**	**8,047.47**
2.	**Current assets**			
	(a) Inventories	10	**2,001.03**	1,585.74
	(b) Financial assets			
	(i) Investments	11	**4.70**	173.45
	(ii) Trade receivables	12	**2,782.54**	2,583.49
	(iii) Cash and cash equivalents	13	**677.89**	395.44
	(iv) Bank balances other than (iii) above	14	**42.50**	29.04
	(v) Loans	15	**7.58**	116.77
	(vi) Other financial assets	16	**25.04**	19.15
	(c) Other current assets	17	**458.59**	477.07
	Total current assets		**5,999.87**	**5,380.15**
	Total assets		**13,878.77**	**13,427.62**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	18	**493.74**	487.47
	(b) Other equity	19	**6,573.18**	5,988.30
	Equity attributable to owners of the Company		**7,066.92**	**6,475.77**
	(c) Non-controlling interest	20	**402.51**	369.85
	Total equity		**7,469.43**	**6,845.62**
II	**Liabilities**			
1.	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	**1,478.46**	1,035.45
	(ii) Other financial liabilities	22	**380.33**	1,029.39
	(b) Provisions	23	**91.07**	74.90
	(c) Deferred tax liabilities (net)	24	**103.26**	108.11
	(d) Other non-current liabilities	25	**22.96**	24.84
	Total non-current liabilities		**2,076.08**	**2,272.69**
2.	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	26	**1,188.45**	1,524.07
	(ii) Trade payables	27	**2,093.50**	1,604.92
	(iii) Other financial liabilities	28	**791.23**	737.28
	(b) Provisions	29	**20.46**	25.42
	(c) Current tax liabilities (net)	30	**67.67**	89.72
	(d) Other current liabilities	31	**171.95**	327.90
	Total current liabilities		**4,333.26**	**4,309.31**
	Total liabilities		**6,409.34**	**6,582.00**
	Total equity and liabilities		**13,878.77**	**13,427.62**

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated except for earnings per share information

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	32	10,393.07	8,494.48
II	Other income	33	86.72	165.81
III	**Total income (I+II)**		**10,479.79**	**8,660.29**
IV	**Expenses**			
(a)	Cost of materials consumed	34.a	4,538.71	3,445.94
(b)	Purchases of stock-in-trade	34.b	1,166.44	1,418.41
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34.c	(275.03)	(239.43)
(d)	Excise duty on sale of goods		-	16.10
(e)	Employee benefit expenses	35	1,459.49	1,138.28
(f)	Finance costs	36	328.02	330.69
(g)	Depreciation and amortisation expenses	37	419.20	413.43
(h)	Other expenses	38	2,254.12	1,885.38
	Total expenses (IV)		**9,890.95**	**8,408.80**
V	**Profit/(loss) from continuing operations before tax and exceptional items (III-IV)**		**588.84**	**251.49**
VI	Exceptional items	39	-	15.04
VII	**Profit/(loss) from continuing operations before tax (V-VI)**		**588.84**	**236.45**
VIII	**Tax expense**	40		
	(a) Current tax		141.99	119.68
	(b) MAT credit entitlement		(36.64)	(0.39)
	(c) MAT credit entitlement written off		-	28.67
	(d) Deferred tax		96.47	(13.39)
	(e) Current tax of prior period reversed		(181.75)	-
	Total tax expenses / (credits)		20.07	**134.57**
IX	**Profit/(loss) from continuing operations after tax (VII-VIII)**		568.77	**101.88**
X	Profit/(loss) from discontinued operations	41	-	105.47
	Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations	41	-	4,100.95
	Profit from discontinued operations before tax		-	**4,206.42**
	Tax expense of discontinued operations	41		
	(a) Current tax		-	36.27
	(b) MAT credit entitlement		-	(36.27)
	Profit/(loss) from discontinued operations after tax (X)	41	-	**4,206.42**
XI	**Profit/(loss) for the year (IX+X)**		**568.77**	**4,308.30**
XII	**Other comprehensive income**	19		
A.	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain/(loss) on defined benefit plans		(4.33)	8.25
	(b) Fair value gain/(loss) from investment in equity instruments		(421.75)	(1,419.54)
B.	Items that may be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		54.65	24.47
	(b) Exchange differences on net investment in foreign operations		(165.11)	(0.36)
	Total other comprehensive income (XII)		**(536.54)**	**(1,387.18)**
XIII	**Total comprehensive income for the year (XI+XII)**		**32.23**	**2,921.12**
Profit for the year attributable to:				
- Owners of the Company			486.60	4,215.66
- Non-controlling interest			82.17	92.64
			568.77	**4,308.30**
Other comprehensive income for the year attributable to:				
- Owners of the Company			(507.16)	(1,395.48)
- Non-controlling interest			(29.38)	8.30
			(536.54)	**(1,387.18)**
Total comprehensive income for the year attributable to:				
- Owners of the Company			(20.56)	2,820.18
- Non-controlling interest			52.79	100.94
			32.23	**2,921.12**
Earnings per equity share (for continuing operations)				
(1)	Basic (in ₹)	43	2.00	(0.11)
(2)	Diluted (in ₹)	43	1.99	(0.11)
Earnings per equity share (for discontinued operations)				
(1)	Basic (in ₹)	43	-	17.51
(2)	Diluted (in ₹)	43	-	17.40
Earnings per equity share (for continuing and discontinued operations)				
(1)	Basic (in ₹)	43	2.00	17.40
(2)	Diluted (in ₹)	43	1.99	17.29

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities			
Net Profit/ (loss) before tax (from continuing and discontinued operations)		588.84	4,457.91
Adjustments for:			
Depreciation, amortisation and impairment		419.20	532.97
Bad trade receivables written off		2.43	15.05
Bad loans and advances written off		1.98	5.60
Provision for doubtful trade receivables		13.17	12.44
Unrealised forex loss/ (gain) (net)		77.40	42.95
Profit on sale of investment		(1.97)	(1.61)
(Profit)/loss on sale of property, plant and equipment (net)		(4.79)	(3.45)
Finance costs		328.02	397.03
Dividend income		(7.90)	(19.00)
Share-based payment to employees		30.93	33.31
Interest income		(13.45)	(38.81)
Fair value gain on financial instruments at fair value through profit or loss		(0.41)	(14.07)
Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations		-	(4,100.95)
Operating profit before working capital changes		**1,433.45**	**1,319.37**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		(9.65)	(668.77)
(Increase)/decrease in inventories		(196.72)	(584.73)
(Increase)/decrease in margin money and unpaid dividend accounts		(13.46)	10.98
Increase/(decrease) in trade payables, other payables and provisions		(59.61)	463.80
Net change in working capital		**(279.44)**	**(778.72)**
Cash generated from operations		**1,154.01**	**540.65**
Direct taxes (paid)/refund (net)		6.23	(88.26)
Net cash generated from operating activities	A	**1,160.24**	**452.39**
Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(254.45)	(470.22)
Proceeds from sale of fixed assets		19.32	21.11
Proceeds from sale of long term investments		0.09	0.38
Proceeds from sale of current investments		161.77	484.42
Dividend received		7.90	19.00
Cash & cash equivalents pursuant to disposal of subsidiaries		-	(22.25)
Cash & cash equivalents pursuant to acquisition of subsidiaries		64.62	-
Consideration paid on acquisition of subsidiaries		(181.59)	-
Consideration paid on acquisition of Mahad facility		(464.00)	-
Consideration paid on acquisition of additional share from NCI		(44.97)	-
Interest received		14.36	39.24
Net cash used in investing activities	B	**(676.95)**	**71.68**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from financing activities			
Proceeds from short-term borrowings		(384.77)	334.57
Proceeds from long-term borrowings		1,091.82	76.72
Repayment of long-term borrowings		(644.78)	(583.28)
Dividend paid		-	(48.46)
Dividend distribution tax paid		-	(9.92)
Interest and other borrowing cost - (including borrowing cost capitalised ₹ Nil), (31 March 2018 ₹ 1.38)		(264.35)	(328.35)
Proceeds from issue of shares (including proceeds from stock options exercised by employees)		6.74	7.13
Dividends distributed to non-controlling interest (including tax on dividend)		(20.07)	(33.50)
Equity contribution by non-controlling interest shareholders		14.57	15.50
Net cash generated from financing activities	C	**(200.84)**	**(569.59)**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	282.45	(45.52)
Cash and cash equivalents at beginning of the year		395.44	440.96
Cash and cash equivalents at end of the year		**677.89**	**395.44**
Reconciliation of cash and cash equivalents as per Balance Sheet			
Cash and cash equivalents as per Balance Sheet (Refer note 13)		677.89	395.44
Net cash and cash equivalents at the end of the year		**677.89**	**395.44**

Note: The cashflow statement reflects the combined cashflows pertaining to continuing and discontinued operations.

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	24,37,36,195	487.47	24,37,36,195	487.47
Issued during the year	31,34,800	6.27	-	-
Balance at the end of the year	**24,68,70,995**	**493.74**	**24,37,36,195**	**487.47**

b) Other equity

	Reserves & Surplus (note 19)									Fair value of equity instruments through other comprehensive income (note 19)	Attributable to owners of the parent	Non-controlling interest (note 20)	Total
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve	Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings				
Balance at 01 April 2017	10.42	10,130.65	155.50	147.48	(40.45)	36.38	(358.18)	(1,136.27)	(2,139.22)	2,474.13	9,280.44	172.18	9,452.62
Profit for the year	-	-	-	-	-	-	-	-	4,215.66	-	4,215.66	92.64	4,308.30
Other comprehensive income for the year, net of income tax	-	-	-	-	-	16.07	-	-	7.99	(1,419.54)	(1,395.48)	8.30	(1,387.18)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**16.07**	**-**	**-**	**4,223.65**	**(1,419.54)**	**2,820.18**	**100.94**	**2,921.12**
Recognition of share-based payments	-	-	20.26	-	-	-	-	-	-	-	20.26	-	20.26
ESOP trust consolidated	-	-	-	-	7.79	-	-	-	-	-	7.79	-	7.79
Non-controlling interest arising on the acquisition/ incorporation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	15.49	15.49
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	(42.37)	(42.37)
Non controlling interest relating to sale of subsidiaries and demerger	-	-	-	-	-	-	-	-	-	-	-	100.51	100.51
Movement in translation reserve during the year	1.74	-	-	-	-	-	-	-	-	-	1.74	-	1.74
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	56.60	56.60
Recognition of put option liability during the year	-	-	-	-	-	-	(386.14)	-	-	-	(386.14)	-	(386.14)
Adjustments on account of demerger (Refer note 41C)	-	(1,794.63)	-	-	-	-	-	-	(3,915.37)	-	(5,710.00)	-	(5,710.00)
Premium on exercise of options - proceeds received	-	9.12	-	-	-	-	-	-	-	-	9.12	-	9.12
Vested ESOP lapsed during the year	-	-	-	3.29	-	-	-	-	-	-	3.29	-	3.29
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	-	-	(58.38)	-	(58.38)	(33.50)	(91.88)
Balance at 31 March 2018	**12.16**	**8,345.14**	**175.76**	**150.77**	**(32.66)**	**52.45**	**(744.32)**	**(1,136.27)**	**(1,889.32)**	**1,054.59**	**5,988.30**	**369.85**	**6,358.15**
Profit for the year	-	-	-	-	-	-	-	-	486.60	-	486.60	82.17	568.77
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(82.75)	-	-	(2.66)	(421.75)	(507.16)	(29.38)	(536.54)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(82.75)**	**-**	**-**	**483.94**	**(421.75)**	**(20.56)**	**52.79**	**32.23**

All amounts are in ₹ million unless otherwise stated

	Reserves & Surplus (note 19)									Fair value of equity instruments through other comprehensive income (note 19)	Attributable to owners of the parent	Non-controlling interest (note 20)	Total
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve	Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings				
Recognition of share-based payments	-	-	13.09	-	-	-	-	-	-	-	13.09	-	13.09
ESOP trust consolidated	-	-	-	-	11.26	-	-	-	-	-	11.26	-	11.26
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	46.15	46.15
Movement in translation reserve during the year	(8.60)	-	-	-	-	-	-	-	-	-	(8.60)	-	(8.60)
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	(39.00)	(39.00)
Recognition of put option liability during the year	-	-	-	-	-	-	584.62	-	-	-	584.62	-	584.62
Additions on account of business combination (Refer note 53)	21.24	-	-	-	-	-	-	-	-	-	21.24	-	21.24
Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	-	-	-	-	-	-	-	2.74	(2.74)	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	(23.20)	-	-	(23.20)	(21.78)	(44.98)
Premium on exercise of employee stock options	-	11.55	-	-	-	-	-	-	-	-	11.55	-	11.55
Issue of share to ESOP trust	-	133.67	-	-	(139.94)	-	-	-	-	-	(6.27)	-	(6.27)
Vested ESOP lapsed during the year	-	-	-	1.75	-	-	-	-	-	-	1.75	-	1.75
Equity contribution by NCI shareholders	-	-	-	-	-	-	-	-	-	-	-	14.57	14.57
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	-	-	-	-	-	(20.07)	(20.07)
Balance at 31 March 2019	**24.80**	**8,490.36**	**188.85**	**152.52**	**(161.34)**	**(30.30)**	**(159.70)**	**(1,159.47)**	**(1,402.64)**	**630.10**	**6,573.18**	**402.51**	**6,975.69**

See accompanying notes to the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

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1. CORPORATE INFORMATION

SeQuent Scientific Limited (the "Company") is a Company incorporated and domiciled in India and has its registered office at Thane, India. The shares of the Company are publicly traded on the National Stock Exchange of India Limited and BSE Limited. The Company is a leading integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (APIs and finished dosage formulations) and analytical services.

The Company is headquartered in Thane, India, with eight manufacturing facilities, based in India, Turkey, Brazil, Spain and Germany. The Company together with its subsidiaries is herein after referred to as 'Group'.

2A. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

(ii) Basis of preparation and presentation

The consolidated 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 consolidated financial statements is determined on such a basis, except for:

» Share-based payments transaction as defined in Ind AS 102 – Share-based payments.

» Leasing transaction as defined in Ind AS 17 – 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.

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹). All financial information presented in ₹ has been rounded to the nearest million (up to two decimals).

(iv) Basis of consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries drawn up to the dates specified in note 47. Subsidiaries are all entities over which the Group has control. The Parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment losses from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Non-controlling interest are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Group.

(v) Business combination

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103 - Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurred in connection with a business combination are expensed as incurred.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of each reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The Group applies the anticipated acquisition method where it has the right and the obligation to purchase any remaining non-controlling interest (so-called put/call arrangements). Under the anticipated acquisition method, the interests of the non-controlling shareholder are derecognised when the Group's liability relating to the purchase of its shares is recognised. The recognition of the financial liability implies that the interests subject to the purchase are deemed to have been acquired already. Therefore, the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interest.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities

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assumed. If the excess is a negative, a bargain purchase gain is recognised in capital reserve.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(vi) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are reclassified from held-for-sale to held-for-use if they no longer meet the criteria to be classified as held-for-sale. On reclassification as held-for-use, a non-current asset is remeasured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale or held-for-distribution.

(vii) Revenue recognition

Effective 01 April 2018, the Group adopted Ind AS 115 - Revenue from Contracts with Customers, using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.

Sale of goods

Revenue from sale of products is presented in the income statement within revenue from operations. The Group presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognised when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognised when the Group transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Group is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates/incentives based on attainment of sales targets is estimated and accrued on each of the underlying sales transactions are recognised. Returns and customer discounts, as described above, are recognised in the period in which the underlying sales are recognised. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers. The amount recognised for returns is estimated on the basis of past experience of sales returns.

Services

Income from technical service, support services and other management fees is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

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

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest and dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

Dividend income from investments is recognised when the right to receive payment has been established.

(viii) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(ix) 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 except for:

» exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

» exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

» exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items.

The assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in

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which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interest as appropriate).

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 that 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.

(x) 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.

(xi) Employee benefits

a) Defined benefit plans

Payments to defined contribution retirement 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 Group's gratuity scheme is in the nature of defined benefit plans.

The gratuity scheme is funded by the Group with Life Insurance Corporation of India and SBI Life Insurance Company Limited.

For defined retirement 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

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense' and 'finance costs' respectively. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group'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. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognise any related restructuring costs

b) Short-term and other long-term employee benefits

A liability is recognised for short-term employee benefit in respect of wages and salaries, annual leave and sick leave, 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.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date. Liability for un-availed leave considered to be long-term is carried based on an actuarial valuation carried out at the end of each financial year.

(xii) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 52.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(xiii) 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. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Minimum alternative tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability. MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and asset can be measured reliably.

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

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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 Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

(xiv) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, properties in the course of construction are measured at cost less accumulated depreciation and accumulated impairment losses.

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.

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
Factory buildings	10-30
Plant and machinery	2-16
Furniture and fixtures	10-16

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

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.

(xv) Intangible assets

a) **Intangible assets acquired separately**

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, 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.

b) **Internally generated intangible asset- research and development expenditure**

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

» the technical feasibility of completing the intangible asset so that it will be available for use or sale;

» the intention to complete the intangible asset and use or sell it;

» the ability to use or sell the intangible asset;

» how the intangible asset will generate probable future economic benefits;

» The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

» the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c) **Subsequent costs**

Subsequent costs is 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.

d) **Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination which are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated

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impairment losses, on the same basis as intangible assets that are acquired separately.

e) **Useful lives of intangible assets**
Estimate useful lives of the intangible assets are as follows:

Nature of the assets	Useful life in years
Product/ process development	5
Marketing rights	5
Acquired software	3-5
Brands	5-20

f) **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 when the asset is derecognised.

(xvi) Inventories
Inventories are valued at the lower of cost and net realisable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on First In First Out (FIFO) basis as follows:

(i) Raw materials, packing materials and consumables: At actual purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) Work-in-progress and Intermediates: At material cost, conversion costs and appropriate share of production overheads.

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads and excise duty, wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(xvii) Provisions and contingent liabilities
Provisions are recognised when the Group 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 not recognised but are disclosed in the notes to consolidated financial statements. Contingent assets are not recognised but are disclosed in the notes to consolidated financial statements when economic inflow is probable.

(xviii) 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 recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. 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. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group 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 and 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.

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) Debt instruments at fair value through other comprehensive income (FVTOCI)
A debt instrument shall be measured at FVTOCI if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represents SPPI.

Debt instruments included within FVTOCI category are measured initially as well as at the end of each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

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(iii) Equity instruments at fair value through other comprehensive income (FVTOCI)

All equity instruments are measured at fair value. Equity instruments held for trading is classified as fair value through profit and loss (FVTPL). For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to the statement of profit and loss, even on sale of the instrument. However, the Group may transfer the cumulative gain or loss within the equity.

(iv) Financial assets at fair value through profit and 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 Group 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. The Group has not designated any financial asset as FVTPL.

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

(iv) Derecognition of financial assets

The Group 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 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 effective interest method.

(ii) Financial liabilities at FVTPL

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

c) **Derivative financial instruments**

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the statement of profit and loss.

d) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at higher of:

» The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and

» The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

e) **Derecognition of financial liabilities**

The Group 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.

f) **Foreign exchange gains and losses on financial assets and financial liabilities**

» The fair value of financial assets/ liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

» For foreign currency denominated financial assets/ liabilities measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

» Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

» For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

» For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

(xix) Impairment

Financial assets

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk

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since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group 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.

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 receivable:
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 Group does not reduce impairment allowance from the gross carrying amount.

Non-financial assets
The Group assesses at each balance sheet 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash-generating units(CGU) or group of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU on prorata basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the statement of profit and loss and is not reversed in the subsequent period.

(xx) Earnings per share
Basic earnings per share is computed using 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.

(xxi) Insurance claims
Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(xxii) 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.

(xxiii) Segment
Segments have been identified taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system.

(xxiv) Exceptional items
An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

(xxv) Gross obligations over written put options issued to non-controlling interests
The Company has written put option to non-controlling interests in its subsidiaries. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. In the absence of any mandatorily applicable accounting guidance, the Group has elected an accounting policy choice to recognise changes on subsequent measurement of the liability in shareholders' equity.

2B. Use of estimates and management judgements
In application of the accounting policies, which are described in note 2A, the management of the Group 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 consolidated financial statements is included in the following notes:

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(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 utilized.

(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 the end of each reporting period 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.

2C. New standards and interpretations not yet adopted
Ind AS 116 - Leases: On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116 - Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 - Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

» Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

» Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by:

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

» Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

» An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Group is evaluating the effect of this new standard in the financial statements. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019.

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
3 Property, plant and equipment and capital work-in-progress		
Carrying amounts of:		
Freehold land	**84.88**	83.29
Lease hold property-development	**1.17**	1.36
Buildings	**915.59**	771.21
Furniture and fixtures	**22.64**	27.68
Office equipments	**8.36**	9.90
Computers	**15.61**	13.04
Plant and machinery	**1,159.64**	1,147.20
Vehicles	**62.41**	81.46
	2,270.30	**2,135.14**
Capital work-in-progress	**172.00**	134.06
	2,442.30	**2,269.20**

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All amounts are in ₹ million unless otherwise stated

Cost	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2017	541.55	2.35	1,544.60	48.58	21.13	25.16	2,533.42	72.32	4,789.11
Additions	-	-	21.83	0.90	3.63	6.99	97.43	58.79	189.57
Effect of foreign currency exchange differences	8.15	(0.07)	(2.72)	0.37	(0.18)	0.43	7.33	1.49	14.80
Borrowing cost capitalised	-	-	-	-	-	-	1.38	-	1.38
Deletions	-	-	-	-	-	0.44	33.93	13.05	47.42
Transferred on account of demerger (Refer note 41C)	466.41	0.79	656.10	12.05	3.47	1.66	928.76	2.94	2,072.18
Balance as on 31 March 2018	**83.29**	**1.49**	**907.61**	**37.80**	**21.11**	**30.48**	**1,676.87**	**116.61**	**2,875.26**
Additions	-	-	48.43	1.66	1.30	10.55	88.98	30.20	181.12
Effect of foreign currency exchange differences	(5.43)	(0.15)	(37.12)	(2.83)	(0.69)	(0.98)	(58.18)	(18.42)	(123.80)
Assets acquired on Business combination (Refer note 53)	7.02	-	143.57	2.66	2.09	0.42	200.52	0.26	356.54
Deletions	-	-	-	0.04	-	0.80	10.65	16.31	27.80
Balance as on 31 March 2019	**84.88**	**1.34**	**1,062.49**	**39.25**	**23.81**	**39.67**	**1,897.54**	**112.34**	**3,261.32**

Accumulated depreciation and impairment	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2017	-	0.09	150.41	9.22	9.04	10.70	590.12	24.24	793.82
Depreciation expenses for the year (Refer note 37)	-	0.07	55.72	3.88	4.24	7.64	257.00	21.52	350.07
Effect of foreign currency exchange differences	-	-	(3.84)	(0.18)	(0.10)	0.08	(2.18)	0.29	(5.93)
Deletions	-	-	-	-	-	0.36	7.68	10.40	18.44
Transferred on account of demerger (Refer note 41C)	-	0.03	65.89	2.80	1.97	0.62	307.59	0.50	379.40
Balance as on 31 March 2018	**-**	**0.13**	**136.40**	**10.12**	**11.21**	**17.44**	**529.67**	**35.15**	**740.12**
Depreciation expenses for the year (Refer note 37)	-	0.06	21.03	7.91	4.65	7.65	233.56	31.07	305.93
Effect of foreign currency exchange differences	-	(0.02)	(10.53)	(1.38)	(0.41)	(0.63)	(21.61)	(5.82)	(40.40)
Deletions	-	-	-	0.04	-	0.40	3.72	10.47	14.63
Balance as on 31 March 2019	**-**	**0.17**	**146.90**	**16.61**	**15.45**	**24.06**	**737.90**	**49.93**	**991.02**

Carrying amount	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2018	83.29	1.36	771.21	27.68	9.90	13.04	1,147.20	81.46	2,135.14
Balance as on 31 March 2019	84.88	1.17	915.59	22.64	8.36	15.61	1,159.64	62.41	2,270.30

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
4 Goodwill		
Carrying amounts of:		
Cost	2,209.72	2,021.93
	2,209.72	**2,021.93**

Cost	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2,021.93	2,242.37
Additional amounts recognised/ reversed from business combinations	-	(102.97)
Impairment on goodwill (Refer note 39)	-	(79.00)
Effect of foreign currency exchange differences	187.79	(38.47)
Balance at the end of the year	**2,209.72**	**2,021.93**

4.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units. The carrying amount of goodwill allocated to cash-generating units is as follows:

	As at 31 March 2019	As at 31 March 2018
Turkey group	892.38	783.88
Spain group	629.70	560.76
Fendigo group	248.80	229.95
Interchange	203.27	225.98
N-Vet AB	107.19	92.98
SeQuent Research Limited	94.53	94.53
Others	33.85	33.85
Total	**2,209.72**	**2,021.93**

Goodwill is monitored by the directors of the Group at each subsidiary level cash-generating unit (CGU). The Group tests goodwill for impairment on an annual basis. The recoverable amount has been determined based on value in use calculations which uses cash flow projections based on financial budgets approved by directors covering a period of five years. The planning horizon reflects the assumptions for short to mid-term market developments. The key assumptions used for the calculations were as follows:

	As at 31 March 2019	As at 31 March 2018
Discount rate	13% - 19%	13% - 19%
Long term growth rate	2% - 5%	2% - 5%

The directors of the respective companies believe that any reasonably possible change in the key assumption on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

During the previous year, the Group has recognised impairment loss with respect to goodwill that arose on certain business combinations. The average growth rate used in extrapolating cash flows beyond the planning period is 4% for the year ended 31 March 2018. Discount rate used is 15.6% for the year ended 31 March 2018 which was estimated based on weighted average cost of capital of respective CGU. Based on the impairment assessment, the management has determined an impairment loss in the value of goodwill amounting to ₹ 79 . The same has been included in the statement of profit and loss under 'Exceptional items' (Refer note 39).

	As at 31 March 2019	As at 31 March 2018
5 Other intangible assets		
Carrying amounts of:		
Product/ process development	7.66	7.52
Acquired software	58.92	62.60
Brands, marketing rights and trade mark	383.57	464.67
Know how	-	0.01
Customer relationship	42.26	67.85
Registration fees	8.98	-
	501.39	**602.65**
Intangible assets under development	54.15	46.32
	555.54	**648.97**

Cost	Product/ process development	Acquired software	Brands, marketing rights and trade mark	Know how	Customer relationship	Registration fees	Total
Balance as on 01 April 2017	183.08	22.56	556.09	-	102.74	-	864.47
Additions	41.18	89.57	136.07	-	-	1.66	268.48
Effect of foreign currency exchange differences	-	0.06	(4.10)	-	(4.49)	-	(8.53)
Transferred on account of demerger (Refer note 41C)	180.87	23.33	-	-	-	-	204.20
Balance as on 31 March 2018	**43.39**	**88.86**	**688.06**	**-**	**98.25**	**1.66**	**920.22**
Additions	8.27	11.67	-	-	-	0.37	20.31
Deletions	-	1.44	-	-	-	-	1.44
Effect of foreign currency exchange differences	-	(0.65)	(49.89)	-	(9.87)	(0.35)	(60.76)
Assets acquired on Business combination (Refer note 53)	-	6.38	14.52	-	-	10.29	31.19
Balance as on 31 March 2019	**51.66**	**104.82**	**652.69**	**-**	**88.38**	**11.97**	**909.52**

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Accumulated amortisation and impairment	Product/ process development	Acquired software	Brands, marketing rights and trade mark	Knowhow	Customer relationship	Registration fees	Total
Balance as on 01 April 2017	119.73	10.83	112.89	(0.01)	15.41	-	258.85
Amortisation expense for the year (Refer note 37)	29.18	17.34	112.33	-	16.04	1.56	176.45
Effect of foreign currency exchange differences	-	0.20	(1.83)	-	(1.05)	0.10	(2.58)
Transferred on account of demerger (Refer note 41C)	113.04	2.11	-	-	-	-	115.15
Balance as on 31 March 2018	**35.87**	**26.26**	**223.39**	**(0.01)**	**30.40**	**1.66**	**317.57**
Amortisation expense for the year (Refer note 37)	8.13	19.91	64.22	-	19.57	1.44	113.27
Deletions	-	0.07	-	-	-	-	0.07
Effect of foreign currency exchange differences	-	(0.20)	(18.49)	0.01	(3.85)	(0.11)	(22.64)
Balance as on 31 March 2019	**44.00**	**45.90**	**269.12**	**-**	**46.12**	**2.99**	**408.13**

Carrying amount	Product/ process development	Acquired software	Brands, Marketing rights and trade mark	Knowhow	Customer relationship	Registration fees	Total
Balance as on 31 March 2018	7.52	62.60	464.67	0.01	67.85	-	602.65
Balance as on 31 March 2019	7.66	58.92	383.57	-	42.26	8.98	501.39

		Face Value	No. of shares	As at 31 March 2019	No. of shares	As at 31 March 2018
6	**Non-current investments**					
A	**Quoted equity instruments carried at fair value through other comprehensive income**					
i)	Strides Pharma Science Limited (Refer note 1)	₹ 10.00	33,12,500	**1,564.82**	33,12,500	2,216.56
ii)	Accions Banc Sabadell	€ 0.13	2,800	**0.31**	2,800	0.40
iii)	Accions Caixabank	€ 1.00	220	**0.05**	220	0.06
iv)	Accions Endesa	€ 1.20	98	**0.10**	98	0.10
v)	Accions Bantierra	-	-	**0.02**	-	0.02
vi)	Accions Caixabank	€ 1.00	220	**0.05**	220	0.06
vii)	Solara Active Pharma Science Limited (Refer note 1)	₹ 10.00	5,52,083	**231.02**	-	-
	Total (A)			**1,796.37**		**2,217.20**
B	**Unquoted equity instruments carried at cost**					
i)	Ambarnath Chemical Manufacturers Association	₹ 10.00	1,000	**0.01**	1,000	0.01
ii)	Tarapur Industrial Manufacturers Association	₹ 10.00	2,000	**0.04**	2,000	0.04
	Total (B)			**0.05**		**0.05**
C	**Investment in government securities carried at amortised cost**					
i)	National Saving Certificate			**0.02**		0.02
ii)	NSC VIII Issue			**0.06**		0.06
	Total (C)			**0.08**		**0.08**
	Total (A + B + C)			**1,796.50**		**2,217.33**
	Aggregate carrying value of unquoted investments			**0.13**		0.13
	Aggregate market value of quoted investments			**1,796.37**		2,217.20

Note:

1 Pursuant to a scheme sanctioned by the NCLT vide its order dated 09 March 2018, Strides Pharma Science Limited (a company in which the Company had invested in equity shares) demerged certain of its businesses to Solara Active Pharma Sciences Limited (Solara). In terms of the scheme, the Company has received 5,52,083 shares in Solara.

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
7 Other non-current financial assets		
Security deposits	41.62	35.36
Margin money deposits	8.15	14.18
Total	**49.77**	**49.54**

	As at 31 March 2019	As at 31 March 2018
8 Income tax assets (net)		
Advance income tax (net of provision ₹ 223.51) (As at 31 March 2018 ₹ 182.19)	45.81	44.81
Total	**45.81**	**44.81**

	As at 31 March 2019	As at 31 March 2018
9 Other non-current assets		
Capital advances	11.12	18.74
Security deposit with government authorities	0.64	0.64
Prepaid expenses	624.94	564.40
Total	**636.70**	**583.78**

Note:
Prepaid expenses include leashold land amounting to ₹ 582.05 for Vizag, Mahad,Tarapur and Ambarnath plant (31 March 2018 - ₹ 524.77 for Vizag, Tarapur and Ambarnath plant).

	As at 31 March 2019	As at 31 March 2018
10 Inventories		
(At lower of cost and net realisable value)		
Raw materials and packing materials	644.72	548.97
Goods-in-transit	0.96	0.52
	645.68	549.49
Work-in-progress and intermediates	365.61	323.38
Finished goods	960.55	696.09
Goods-in-transit	13.39	4.33
	973.94	700.42
Stock-in-trade	12.30	8.96
Fuel	2.46	1.84
Consumable	1.04	1.65
Total	**2,001.03**	**1,585.74**

		Face value	No. of shares/ units	As at 31 March 2019	No. of shares/ units	As at 31 March 2018
11	**Current investments**					
A	**Quoted equity instruments (fully paid-up) - carried at fair value through other comprehensive income**					
i)	Agrodutch Industries Limited	₹ 10.00	36,250	- *	36,250	- *
ii)	Transchem Limited	₹ 10.00	26,077	0.62	32,500	1.06
iii)	Techindia Nirman Limited	₹ 10.00	2,280	0.01	18,270	0.14
iv)	Nath Bio Genes (I) Limited	₹ 10.00	-	-	6,930	2.86
v)	Agritech (India) Limited	₹ 10.00	6,300	0.32	6,300	0.75
	Total (A)			**0.95**		**4.81**
B	**Other unquoted equity instruments (fully paid-up) - carried at cost**					
	Aditya Investment & Communication Limited	₹ 10.00	58,800	- *	58,800	- *
	Total (B)			-		-
C	**Unquoted mutual funds - carried at fair value through profit or loss**					
i)	Hulk Bank		-	3.62	-	18.63
ii)	Garanti Bank		-	0.13	-	15.00
iii)	UTI Short Term Income Fund - Institutional Option - Growth		-	-	63,91,607	135.01
	Total (C)			**3.75**		**168.64**
	Total (A + B + C)			**4.70**		**173.45**
	Aggregate market value of quoted investments			0.95		4.81
	Aggregate carrying value of unquoted investments			- *		- *
	Aggregate net asset value of investment in mutual funds			3.75		168.64

* Not reported due to round off.

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	As at 31 March 2019	As at 31 March 2018
12 Trade receivables		
Unsecured, considered good	2,782.54	2,583.49
Unsecured, considered doubtful	81.10	54.51
	2,863.64	2,638.00
Less: Allowance for doubtful trade receivables	81.10	54.51
Total	**2,782.54**	**2,583.49**

Note:

During the year, the Group discounted trade receivables with an aggregate carrying amount of ₹ 73.54 (as at 31 March 2018 ₹ 49.91) to a bank for cash proceeds of same value. If trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as financial liability under note 28 - Other current financial liabilities.

	As at 31 March 2019	As at 31 March 2018
13 Cash and cash equivalents		
Balances with banks		
- In current accounts	676.77	393.30
Cash on hand	1.12	2.14
Total	**677.89**	**395.44**
Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flows	**677.89**	**395.44**

	As at 31 March 2019	As at 31 March 2018
14 Bank balances other than (note 13) above		
In earmarked accounts		
- Unpaid dividend accounts	0.06	0.10
- Margin money deposits (Refer note (i) below)	42.44	28.94
Total	**42.50**	**29.04**

Note:

(i) Balances in margin money deposits are held as security against borrowings, guarantees and other commitments.

	As at 31 March 2019	As at 31 March 2018
15 Current loans		
Unsecured, considered good		
Loan to employees	6.63	4.79
Loan to other parties	0.95	111.98
	7.58	116.77
Unsecured, considered doubtful		
Loan to other parties	9.61	9.55
	9.61	9.55
Less: Allowance for doubtful loans	9.61	9.55
	-	-
Total	**7.58**	**116.77**

	As at 31 March 2019	As at 31 March 2018
16 Other current financial assets		
Claims receivable	23.51	17.62
Derivative instruments (fair value)	0.91	-
Interest accrued on fixed deposits	0.62	1.53
Total	**25.04**	**19.15**

	As at 31 March 2019	As at 31 March 2018
17 Other current assets		
Advance to suppliers	43.72	77.76
Balances with government authorities	356.37	363.41
Prepaid expenses	45.17	33.22
Advance tax (net of provision - ₹ Nil) (As at 31 March 2018 - ₹ Nil)	5.41	2.57
Others	7.92	0.11
Total	**458.59**	**477.07**

Note:

Prepaid expenses include leashold land amounting to ₹ 7.91 for Vizag, Mahad,Tarapur and Ambarnath plant (31 March 2018 - ₹ 7.12 for Vizag, Tarapur and Ambarnath plant).

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	No. of shares	As at 31 March 2019	No. of shares	As at 31 March 2018
18 Share capital				
(a) Authorised				
Equity shares of ₹ 2 each	25,00,00,000	**500.00**	25,00,00,000	500.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹ 2 each	24,68,70,995	**493.74**	24,37,36,195	487.47
Total		**493.74**		**487.47**

Notes:

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

	No. of shares	Share capital
Fully paid equity shares		
Balance at 01 April 2017	24,37,36,195	487.47
Shares issued during the year	-	-
Balance at 31 March 2018	**24,37,36,195**	**487.47**
Shares issued during the year	31,34,800	6.27
Balance at 31 March 2019	**24,68,70,995**	**493.74**

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company.

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

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	**2,78,99,930**	**11.30%**	2,78,99,930	11.45%
Chayadeep Ventures LLP	**2,51,25,000**	**10.18%**	2,51,25,000	10.31%
Agnus Capital LLP	**2,11,57,560**	**8.57%**	2,11,57,560	8.68%
Arun Kumar Pillai	**2,34,99,965**	**9.52%**	2,34,99,965	9.64%
Pronomz Ventures LLP	**2,70,00,000**	**10.94%**	2,70,00,000	11.08%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	**1,41,38,395**	**5.73%**	1,41,38,395	5.80%
TIMF Holdings	**1,53,30,795**	**6.21%**	1,53,30,795	6.29%

(iv) 40,81,620 shares of ₹2 each (As at 31 March 2018 - 14,45,200 shares) are reserved towards outstanding employee stock options granted / available for grant.

(v) Aggregate number of shares allotted as fully paid pursuant to contract without payment of cash for a period of 5 years immediately preceding the balance sheet date:

	As at 31 March 2019	As at 31 March 2018
Equity shares	**1,79,27,065**	1,79,27,065

(vi) The Board of Directors in their meeting held on 14 May 2019 recommended dividend of 10%, i.e. ₹ 0.20 per equity share of ₹ 2/- each.

	As at 31 March 2019	As at 31 March 2018
19 Other equity		
Capital reserve	**24.80**	12.16
Securities premium account	**8,490.36**	8,345.14
Employees stock options outstanding	**188.85**	175.76
General reserve	**152.52**	150.77
Retained earnings	**(1,402.64)**	(1,889.32)
Reserve for equity instruments through other comprehensive income	**630.10**	1,054.59
Treasury reserve	**(161.34)**	(32.66)
Translation reserve	**(30.30)**	52.45
Gross obligation to non- controlling interest under put options	**(159.70)**	(744.32)
Other reserves	**(1,159.47)**	(1,136.27)
Total	**6,573.18**	**5,988.30**

	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve		
Balance at the beginning of the year	**12.16**	10.42
Add: Addition on account of business combination (Refer note 53.1)	**21.24**	-
Add: Exchange Difference	**(8.60)**	1.74
Balance at the end of the year	**24.80**	**12.16**
(b) Securities premium account		
Balance at the beginning of the year	**8,345.14**	10,130.65
Add: Premium on exercise of options - proceeds received	**11.55**	9.12
Add: Premium on issue of share to ESOP trust	**133.67**	-
Less: Adjustments on account of demerger (Refer note 41C)	**-**	(1,794.63)
Balance at the end of the year	**8,490.36**	**8,345.14**
(c) Employees stock options outstanding		
Balance at the beginning of the year	**175.76**	155.50
Add: Employee stock option expenses	**26.39**	32.67
Less: Transferred to securities premium account on exercise	**(11.55)**	(9.12)
Less: Transferred to general reserve on vested employee stock options lapsed during the year	**(1.75)**	(3.29)
Balance at the end of the year	**188.85**	**175.76**

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
(d) General reserve		
Balance at the beginning of the year	150.77	147.48
Add: Vested employee stock options lapsed during the year	1.75	3.29
Balance at the end of the year	**152.52**	**150.77**
(e) Retained earnings		
Balance at the beginning of the year	(1,889.32)	(2,139.22)
Add/ (less): Profit/ (loss) for the year	486.60	4,215.66
Add/ (less): Other comprehensive income arising from remeasurement of defined benefit obligations, net of income tax	(2.66)	7.99
Less: Dividend distributed to equity shareholders (including tax on dividend)	-	(58.38)
Less: Adjustments on account of demerger	-	(3,915.37)
Add: Transfer from reserve for equity instruments through other comprehensive income	2.74	-
Balance at the end of the year	**(1,402.64)**	**(1,889.32)**
Note: During the previous year, the Board of Directors had declared interim dividend of 10%, i.e. ₹ 0.20 per equity share of ₹ 2/- each.		
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	1,054.59	2,474.13
Add / (less): Net fair value gain/ (loss) on investment in equity instrument at FVTOCI	(421.75)	(1,419.54)
Less:Transfer to Retained earnings	(2.74)	-
Balance at the end of the year	**630.10**	**1,054.59**
(g) Treasury reserve		
Balance at the beginning of the year	(32.66)	(40.45)
Add: Employee stock options issued during the year	11.26	7.79
Less: Shares issued during the year to ESOP trust	(139.94)	-
Balance at the end of the year	**(161.34)**	**(32.66)**
(h) Translation reserve		
Balance at the beginning of the year	52.45	36.38
Add/ (less): Movement during the year	(110.46)	24.11
Add/ (less):Transfer to non-controlling interest	27.71	(8.04)
Balance at the end of the year	**(30.30)**	**52.45**
(i) Gross obligation to non-controlling interest under put options		
Balance at the beginning of the year	(744.32)	(358.18)
Add/ (less): Movement during the year	584.62	(386.14)
Balance at the end of the year	**(159.70)**	**(744.32)**
(j) Other reserves (Refer note below)		
Balance at the beginning of the year	(1,136.27)	(1,136.27)
Add: Acquisition of minority interest	(23.20)	-
Balance at the end of the year	**(1,159.47)**	**(1,136.27)**

Note: Other reserves represents premium on acquisition of the non-controlling interest in Alivira Animal Health Limited, India, Fendigo SA and N-Vet AB.

	As at 31 March 2019	As at 31 March 2018
20 Non-controlling interest (NCI)		
Balance at the beginning of the year	369.85	172.18
Share of profit/loss for the year	82.17	92.64
Share of other comprehensive income for the year	(29.38)	8.30
Non-controlling interest arising on the acquisition/ incorporation of subsidiaries	-	15.49
Non-controlling interest relating to sale of subsidiaries	-	100.51
Dividend outflow	(20.07)	(33.50)
Put option derecognised (net)	46.15	(42.37)
Dilution of Minority interest	(21.78)	-
Equity contribution by NCI shareholders	14.57	-
Effect of foreign currency exchange difference on opening NCI	(39.00)	56.60
Balance at the end of the year	**402.51**	**369.85**

	As at 31 March 2019	As at 31 March 2018
21 Non-current borrowings		
Secured term loan - at amortised cost		
From bank	552.23	19.14
From other parties	717.22	832.28
Unsecured term loan - at amortised cost		
From bank	70.62	82.48
From other parties	138.39	101.55
Total	**1,478.46**	**1,035.45**

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Note: (i) Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:

	Security	Terms of repayment	As at 31 March 2019		As at 31 March 2018	
			Secured	Unsecured	Secured	Unsecured
Term loan from banks:						
RBL Bank Limited	Exclusive charge on the entire movable and immoveable fixed assets, both present and future, including exclusive charge on the immovable assets located at Mahad.Exclusive charge on the current assets of the Company, both present and future.	Repayable in 18 quarterly equal instalments, commencing from July 2019. Repayable fully on December 2023.	**206.08**	-	-	-
IndusInd Bank	Exclusive mortage on land and buiding situated at Tarapur, Ambernath Plant and corporate premises situated at Dosti pinnacle belonging to SeQuent Scientific Limited.	Repayable in 24 quarterly instalments, commencing from September 2019.	**336.56**	-	-	-
Halk Bankasi A.S. Turkey	Secured against leased machinery of subsidiary TOPKİM TOPKAPI İLAÇ PREMİKS SANAYİ VE TİCARET A.Ş., Turkey.	Repayable in 47 monthly equal instalments.	-	-	3.74	-
Banc Sabadell	First pari-passu charge on fixed assets of the Karizoo Spain K4 building	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully on February 2028.	**2.72**	-	3.11	-
Banc Sabadell	First pari-passu charge on fixed assets of the Karizoo Spain K4 building	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully on February 2028.	**6.87**	-	7.83	-
Halk Bankasi A.S. Turkey	Hypothecation of the respective asset (vehicle)	Repayable in 24 monthly instalments, commencing from September 2017. Repayable fully on August 2019.	-	-	4.46	-
Ibercaja	Unsecured	Repayable in 60 monthly instalments, commencing from August 2014. Repayable fully on July 2019.	-	-	-	0.53
B.B.V.A.	Unsecured	Repayable in 60 monthly instalments, commencing from June 2015. Repayable fully on May 2020.	-	**0.17**	-	1.24
Deustche Bank	Unsecured	Repayable in 48 monthly instalments, commencing from August 2015. Repayable fully on July 2019.	-	-	-	0.98
Banco Popular	Unsecured	Repayable in 38 monthly instalments, commencing from March 2017. Repayable fully on March 2020.	-	-	-	10.88
Bankinter	Unsecured	Repayable in 36 monthly instalments, commencing from March 2017. Repayable fully on April 2020.	-	**0.66**	-	8.82
Bankia	Unsecured	Repayable in 60 monthly instalments, commencing from April 2017. Repayable fully on March 2022.	-	**39.22**	-	60.03
B.B.V.A.	Unsecured	Repayable in 60 monthly instalments, commencing from May 2018. Repayable fully on April 2023.	-	**3.37**	-	-
La Caixa	Unsecured	Repayable in 36 monthly instalments, commencing from August 2018. Repayable fully on July 2021.	-	**3.48**	-	-
Bank Popular	Unsecured	Repayable in 60 monthly instalments, commencing from December 2018. Repayable fully on November 2023.	-	**8.60**	-	-
B.S.C.H.	Unsecured	Repayable in 60 monthly instalments, commencing from December 2018. Repayable fully on November 2023.	-	**8.60**	-	-
Bankinter	Unsecured	Repayable in 36 monthly instalments, commencing from April 2019. Repayable fully on March 2022.	-	**6.52**	-	-
Total			**552.23**	**70.62**	**19.14**	**82.48**

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	Security	Terms of repayment	As at 31 March 2019		As at 31 March 2018	
			Secured	Unsecured	Secured	Unsecured
Term loan from other parties and judicial recovery:						
Export and Import Bank of India	First charge on the entire fixed assets of the subsidiary Alivira Animal Health Limited, India including immovable properties both present and future, second charge over current assets of the subsidiary both present and future, unconditional and irrevocable corporate guarantee of SeQuent Scientific Limited to the extent of the shareholding in the subsidiary. Personal guarantee of promoter Mr Arun Kumar Pillai to the extent of ₹ 50 Crores. First charge / assignment on all intangibles assets of the subsidiary	Repayable in 26 quarterly instalments, commencing from August 2016.	**502.78**	-	704.76	-
Export and Import Bank of India	First charge on the entire fixed assets of the subsidiary Alivira Animal Health Limited, India including immovable properties both present and future, second charge over current assets of the subsidiary both present and future, unconditional and irrevocable corporate guarantee of SeQuent Scientific Limited to the extent of the shareholding in the subsidiary. Personal guarantee of promoter Mr Arun Kumar Pillai to the extent of ₹ 30 Crores. First charge / assignment on all intangibles assets of the subsidiary	Repayable in 22 quarterly equal instalments, commencing from 02 September 2019.	**212.45**	-	-	-
Toyota Financial Services India Limited	Hypothecation of assets (vehicle)	Repayable in 60 monthly instalments, commencing from October 2017.	**0.89**	-	1.21	-
Toyota Financial Services India Limited	Hypothecation of assets (vehicle)	Repayable in 60 monthly instalments, commencing from January 2018.	**1.10**	-	1.44	-
Export and Import Bank of India	First pari-passu charge on entire fixed assets of Alivira Animal Health Limited, India, pledge of 60% shares of Provet Veteriner Ürünleri San. ve Tic. A.Ş., held by Alivira Animal Health Limited, Ireland, pledge of shares of Alivira Animal Health Limited, Ireland held by Alivira Animal Health Limited, India and corporate guarantee of Alivira Animal Health Limited, India.	Repayable in 16 quarterly instalments, commencing from March 2016.	-	-	124.87	-
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from June 2015. Repayable fully on May 2019.	-	-	-	0.07
BMW Finance	Unsecured	Repayable in 48 monthly instalments, commencing from November 2015. Repayable fully on October 2019.	-	-	-	3.39
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from April 2016. Repayable fully on March 2020.	-	-	-	0.47
ICF	Unsecured	Repayable in 60 monthly instalments, commencing from October 2015. Repayable fully on July 2022.	-	**8.33**	-	11.86
Fitch Participacoes Ltda	Unsecured	The loan is repayable on the mutual agreement.	-	**62.10**	-	1.09
Judiciary	Unsecured	The loan is repayable in half yearly 18 unequal instalments and the repayment commenced from 07 November 2016 i.e., eighteen months after the date of judgement from 0.50% to 10.50% of the principal amount .	-	**67.96**	-	84.67
Total			**717.22**	**138.39**	**832.28**	**101.55**

The interest on above term loan from Bank and other parties (other than loan from Banco popular,Bankia,Bankinter,Volkswagen Finance,BMW Finance,ICF,Fitch Participacoes Ltda and Halk Bankasi A.S. Turkey) are linked to the respective lender's base rates which are floating in nature. As of 31 March 2019 the interest rates ranges from 0.90% to 12.75% per annum.

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(ii) Details of long-term borrowings guaranteed by some of the directors or others:

	As at 31 March 2019	As at 31 March 2018
Term loan from banks	-	3.74
Term loan from other parties	715.23	704.76

(iii) For the current maturities of long-term borrowings, refer note 28 in other current liabilities.

	As at 31 March 2019	As at 31 March 2018
22 Other non-current financial liabilities		
Put option liability	322.70	953.47
Interest accrued but not due	12.91	13.12
Finance lease obligation	44.72	62.80
Total	**380.33**	**1,029.39**

	As at 31 March 2019	As at 31 March 2018
23 Non-current provisions		
Provision for employee benefits		
Gratuity (Refer note 49)	43.12	25.41
Compensated absences	38.41	32.31
Others		
Provision for tax (net of advance tax - ₹ 28.32) (as at 31 March 2018 - ₹ 28.32)	9.54	17.18
Total	**91.07**	**74.90**

	As at 31 March 2019	As at 31 March 2018
24 Deferred tax liabilities/ assets (Refer note 40)		
Deferred tax liabilities		
- Depreciation	88.12	104.88
- Others	15.14	3.23
Total Deferred tax liabilities	**103.26**	**108.11**
Deferred tax assets		
- Depreciation	(123.78)	(158.05)
- Disallowances u/s 43B of the Income Tax Act, 1961	27.10	19.66
- Unabsorbed depreciation and carried forward of losses	105.98	161.53
- Others	42.88	135.03
- MAT credit entitlement	90.38	53.74
Total Deferred tax assets	**142.56**	**211.91**

	As at 31 March 2019	As at 31 March 2018
25 Other non-current liabilities		
Statutory remittances	14.78	17.90
Rent equalisation reserve	8.18	6.94
Total	**22.96**	**24.84**

	As at 31 March 2019	As at 31 March 2018
26 Current borrowings		
Secured loan repayable on demand		
From banks (Refer note (i) to (vi) below)	815.94	1,171.32
Unsecured loan repayable on demand		
From banks	219.67	227.06
From other parties	152.84	125.69
Total	**1,188.45**	**1,524.07**

Notes:

(i) Loan repayable on demand from banks in SeQuent Scientific Limited are secured by a exclusive charge on current assets of the Company and exclusive charge on the entire movable and immoveable fixed assets of the Company, both present and future, including exclusive charge on the immovable assets located at Mahad, Tarapur and Ambernath plants.

(ii) Loan repayable on demand from banks in Alivira Animal Health Limited, India are secured by a first pari-passu charge on current assets of the Company, a second pari-passu charge on their fixed assets and corporate guarantee given by SeQuent Scientific Limited.

(iii) Loan repayable on demand from banks availed by the subsidiary Fendigo SA, Belgium has first pledge of the business of the Fendigo SA including tangible and intangible assets which forms part of the business and the goods in stock for up to 50% of its value.

(iv) Loan repayable on demand from banks in Alivira Animal Health Limited, Ireland is secured by corporate guarantee issued by Alivira Animal Health Limited, India.

(v) Loan repayable on demand from banks availed by the subsidiary Provet Veteriner Ürünleri San. Ve Tic. A.Ş., Turkey is guaranteed by director of the subsidiary in his personal capacity.

(vi) Loan repayable on demand from banks availed by the subsidiary Interchange, Brazil are secured against the current assets of the Company and personal guarantee by certain shareholders of the subsidiary in their personal capacities.

	As at 31 March 2019	As at 31 March 2018
27 Trade payables		
Trade payables	2,093.50	1,604.92
Total	**2,093.50**	**1,604.92**

Note:

(i) Trade payables (other than due to micro, small and medium enterprises) are non-interest bearing and are normally settled on 90 to 120 days.

(ii) The Group exposure to currency and liquidity risk related to trade payable is disclosed in note 50.

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	As at 31 March 2019	As at 31 March 2018
28 Other current financial liabilities		
Current maturities of long-term debt *	**498.58**	486.25
Interest accrued and due on borrowings	**12.45**	9.73
Payables on purchase of fixed assets	**32.91**	42.25
Unclaimed dividends	**0.06**	0.10
Judicial recovery	**6.67**	3.18
Current finance lease payables	**15.55**	0.29
Derivative instruments (fair value)	**-**	0.14
Other current liabilities	**225.01**	195.34
Total	**791.23**	**737.28**

* The details of interest rates, repayment and other terms are disclosed under note 21. Details of current maturities of long-term debt are mentioned below:

	As at 31 March 2019	As at 31 March 2018
Secured term loan from banks		
RBL Bank Limited	**41.70**	1.38
Indusind Bank Limited	**10.50**	-
Halk Bank Isletme Kredisi	**8.58**	16.02
Banco Popular	**12.86**	10.67
Bankinter	**11.09**	7.99
Bankia	**19.06**	1.23
La Caxia	**2.58**	-
B.S.C.H	**2.30**	1.83
Others	**7.86**	6.71
Secured loan from other parties		
Export and Import Bank of India	**367.13**	360.96
Toyota Financial Services India Limited	**0.60**	-
ICF	**3.19**	3.20
Others	**0.52**	2.04
Unsecured loan from other parties		
Abílio	**10.61**	74.22
Total	**498.58**	**486.25**

	As at 31 March 2019	As at 31 March 2018
29 Current provisions		
Provision for employee benefits		
Gratuity (Refer note 49)	**4.45**	17.48
Compensated absences	**16.01**	7.94
Total	**20.46**	**25.42**

	As at 31 March 2019	As at 31 March 2018
30 Current tax liabilities		
Income tax payable (net of advance tax - ₹ Nil) (as at 31 March 2018 - ₹ Nil)	**67.67**	89.72
Total	**67.67**	**89.72**

	As at 31 March 2019	As at 31 March 2018
31 Other current liabilities		
Statutory remittances	**75.81**	236.02
Advance from customers	**69.67**	31.78
Other current liabilities	**26.47**	60.10
Total	**171.95**	**327.90**

	Year ended 31 March 2019	Year ended 31 March 2018
32 Revenue from operations		
Sale of products (including excise duty*) (Refer note below)	**10,061.77**	8,280.41
Sale of services	**143.52**	155.26
Other operating revenues		
Sale of scrap	**4.15**	5.35
Duty drawback and other export incentives	**159.13**	44.74
Others	**24.50**	8.72
	10,393.07	**8,494.48**

(*) Post implementation of Goods and Services Tax (GST) with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operation for the year ended 31 March 2018 included excise duty up to 30 June 2017.

Disaggregated revenue disclosures

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 42 - Segment reporting.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional 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 customer .

Trade receivable are presented net of impairment in the Balance Sheet.

	Year ended 31 March 2019	Year ended 31 March 2018
33 Other income		
Interest income (Refer note (i) below)	**13.45**	38.81
Net gain on sale of current investments	**1.97**	1.61
Other non-operating income (Refer note (ii) below)	**26.41**	27.88
Dividend income *	**7.90**	19.00
Fair value gain on financial instrument at fair value through profit or loss **	**0.41**	14.07
Miscellaneous income	**31.79**	60.99
Profit on sale of assets	**4.79**	3.45
Total	**86.72**	**165.81**

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	Year ended 31 March 2019	Year ended 31 March 2018
(i) Interest income comprises:		
Interest on:		
Bank deposits	**10.07**	9.79
Interest on income tax refund	-	1.16
Other interest	3.38	27.86
Total	**13.45**	**38.81**
(ii) Other non-operating income comprises:		
Insurance claim received	**0.34**	-
Liabilities / provisions no longer required written back	**17.24**	19.33
Reimbursement of expenses	**2.03**	2.08
Miscellaneous income	**6.80**	6.47
Total	**26.41**	**27.88**

* Includes dividends from equity investments designated as at fair value through other comprehensive income (FVTOCI) of ₹ 6.63 (as at 31 March 2018 ₹ 14.91)

** Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the end of each reporting period.

	Year ended 31 March 2019	Year ended 31 March 2018
34.a Cost of materials consumed		
Opening stock (net of inventories relating to discontinued operations)	549.49	333.20
Effect of foreign currency exchange differences	(51.95)	14.79
Add: Purchases	4,558.15	3,647.44
Add: Transfer on account of business combination (Refer note 53)	128.70	-
Less: Closing stock	645.68	549.49
Cost of materials consumed	**4,538.71**	**3,445.94**

	Year ended 31 March 2019	Year ended 31 March 2018
34.b Purchases of stock-in-trade		
Purchases of stock-in-trade	**1,166.44**	1,418.41
Total	**1,166.44**	**1,418.41**

	Year ended 31 March 2019	Year ended 31 March 2018
34.c Changes in inventories of finished goods and work-in-progress & intermediates		
Opening stock (net of inventories relating to discontinued operations)		
Work-in-progress and intermediates	323.38	187.47
Finished goods/ stock-in-trade	709.38	563.35
	1,032.76	**750.82**
Transfer on account of business combination (Refer note 53)		
Work-in-progress and intermediates	46.80	-
Finished goods/ stock-in-trade	45.11	-
	91.91	**-**
Effect of foreign currency exchange differences		
Work-in-progress and intermediates	(1.91)	1.95
Finished goods/ stock-in-trade	(45.94)	40.56
	(47.85)	**42.51**
Closing stock		
Work-in-progress and intermediates	365.61	323.38
Finished goods/ stock-in-trade	986.24	709.38
	1,351.85	**1,032.76**
Net (increase) / decrease	**(275.03)**	**(239.43)**

	Year ended 31 March 2019	Year ended 31 March 2018
35 Employee benefit expenses		
Salaries and wages	**1,191.01**	905.85
Contributions to provident fund and other funds	**179.91**	150.97
Share-based payment to employees	**30.93**	32.05
Staff welfare expenses	**57.64**	49.41
Total	**1,459.49**	**1,138.28**

	Year ended 31 March 2019	Year ended 31 March 2018
36 Finance costs		
Interest expense on borrowings	**287.50**	292.86
Other borrowing costs	**40.52**	37.83
Total	**328.02**	**330.69**

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	Year ended 31 March 2019	Year ended 31 March 2018
37 Depreciation and amortisation expenses		
For continuing operations		
Depreciation on property, plant and equipment (Refer note 3)	305.93	259.25
Amortisation on intangible assets (Refer note 5)	113.27	158.41
Less: Depreciation capitalised for intangible assets under development	-	(4.23)
	419.20	413.43
For discontinued operations		
Depreciation on property, plant and equipment	-	90.82
Depreciation on asset held for sale	-	10.37
Amortisation on intangible assets	-	18.04
Amortisation on asset held for sale	-	0.30
	-	119.53

	Year ended 31 March 2019	Year ended 31 March 2018
38 Other expenses		
Power, water and fuel	**230.60**	146.57
Consumables	**83.64**	59.51
Conversion and processing charges	**416.85**	237.07
Contract labour charges	**57.25**	72.63
Freight and forwarding	**221.60**	190.82
Rent including lease rentals (Refer note 48)	**99.39**	73.51
Rates and taxes	**54.17**	69.02
Communication expenses	**23.07**	27.85
Repairs and maintenance		
Building	**15.40**	13.62
Machinery	**62.47**	60.69
Others	**79.45**	68.64
Insurance	**35.66**	28.93
Travelling and conveyance	**118.85**	133.05
Advertisement and selling expenses	**89.01**	119.45
Commission on sales	**52.33**	58.40
Legal and professional fees	**252.36**	239.95
Analytical charges	**62.24**	64.65
Bad trade receivables written off	**2.43**	15.54
Bad loans and advances written off	**1.98**	(0.07)
Provision for doubtful trade receivables	**13.17**	16.93
Provision for doubtful loans and advances	**0.06**	-
Net loss on foreign currency transactions and translation	**77.40**	41.20
CSR Expenses	**1.01**	-
Increase/(decrease) of excise duty on inventory	-	(3.29)
Research & development expenses	-	13.85
Printing and stationery	**1.50**	1.22
Other expenses	**202.23**	135.64
Total	**2,254.12**	**1,885.38**

	Year ended 31 March 2019	Year ended 31 March 2018
39 Exceptional items		
Write off of ineligible Goods and Services Tax credits	-	11.61
Goodwill impairment (Refer note 4)	-	79.00
Reversal of accrual for contingent consideration (Refer note 1 below)	-	(93.13)
Accrual for liability towards pre-acquisition employee claims (Refer note 2 below)	-	17.56
Total	**-**	**15.04**

Note:

1. During the previous year ended 31 March 2018, contingent consideration payable to Vila Vina Participacions, S.L had been reversed as these were found to be not payable.
2. During the previous year ended 31 March 2018, provision was made on account of legal claims filed by the employees against the subsidiary, Topkim-Topkapi Ilac Premiks San. ve Tic. A.S towards bonus and compensation pertaining to pre-acquisition period. The potential undiscounted amount of future payments that the Group could be required to make if there was an adverse decision relating to the said claims was estimated to be ₹17.56.

40 Income taxes

i) Income tax expenses relating to continuing operations

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expenses for the current year	**141.99**	119.68
Current tax of prior period reversed on completion of assessments (certain subsidiaries)	**(181.75)**	-
Origination and reversal of temporary differences	**96.47**	(13.39)
MAT credit entitlement recognised	**(36.64)**	(0.39)
MAT credit entitlement written off	-	28.67
Total	**20.07**	**134.57**

ii) Income tax expenses relating to discontinued operations

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expenses for the current year	-	36.27
MAT credit entitlement recognised	-	(36.27)
Total	**-**	**-**

iii) Income tax expenses relating to continuing and discontinued operations

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expenses for the current year	**141.99**	155.95
Current tax of prior period reversed on completion of assessment (certain subsidiaries)	**(181.75)**	-
Origination and reversal of temporary differences	**96.47**	(13.39)
MAT credit entitlement recognised	**(36.64)**	(36.66)
MAT credit entitlement written off	-	28.67
Total	**20.07**	**134.57**

Note:

The current tax expense and deferred tax expense/credits are computed by applying the tax rates prevailing in the respective jurisdiction of the components.

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Deferred tax assets and liabilities

(a) Movement in deferred tax balances

	31 March 2019					
	Net balance 01 April 2018	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(262.93)	51.03	-	(211.90)	(123.78)	(88.12)
Employee benefits	19.66	7.44	-	27.10	27.10	-
Other items	131.80	(120.52)	-	11.28	26.42	(15.14)
Tax assets/(liabilities)	**(111.47)**	**(62.05)**	**-**	**(173.52)**	**(70.26)**	**(103.26)**
Carried forward of losses & unabsorbed depreciation	161.53	(39.09)	-	122.44	122.44	-
Net tax assets/(liabilities)	**50.06**	**(101.14)**	**-**	**(51.08)**	**52.18**	**(103.26)**
MAT Credit Entitlement	53.74	36.64	-	90.38	90.38	-
Total	**103.80**	**(64.50)**	**-**	**39.30**	**142.56**	**(103.26)**

	31 March 2018					
	Net balance 01 April 2017	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(354.35)	91.42	-	(262.93)	(158.05)	(104.88)
Employee benefits	47.74	(28.08)	-	19.66	19.66	-
Other items	171.45	(39.65)	-	131.80	135.03	(3.23)
Tax assets/(liabilities)	**(135.16)**	**23.69**	**-**	**(111.47)**	**(3.36)**	**(108.11)**
Carried forward of losses & unabsorbed depreciation	198.17	(36.64)	-	161.53	161.53	-
Net tax assets/(liabilities)	**63.01**	**(12.95)**	**-**	**50.06**	**158.17**	**(108.11)**
MAT Credit Entitlement	45.75	7.99	-	53.74	53.74	-
Total	**108.76**	**(4.96)**	**-**	**103.80**	**211.91**	**(108.11)**

(b) No deferred tax adjustments were required in respect of amounts recognised in other comprehensive income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation).

41 Discontinued operations

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai, vide Order dated 09 March 2018 ('Order'), with effect from the Appointment Date i.e. 01 October 2017, the Human API business of the Company was transferred to Solara Active Pharma Sciences Limited ('Solara').

During the previous year ended 31 March 2018, in line with the accounting prescribed in the Scheme, the net assets of the Human API business transferred amounting to ₹ 1,794.63 had been debited to the securities premium account. The excess of fair value of the Human API business over the net assets transferred amounting to ₹ 3,915.37 had been debited to retained earnings with a corresponding credit to the statement of profit and loss as 'Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations'. The Human API business for previous periods have been presented as discontinued operations in this results.

Pursuant to the above, SeQuent Penems Private Limited have ceased to be the subsidiary of the Company.

During the previous year ended 31 March 2018, the Company completed the divestment of woman healthcare business (discontinued operations). Gain on disposal of assets and settlement of liabilities attributable to discontinued operations amounting to ₹ 174.55 is recognised and disclosed under discontinued operations.

A. Analysis of profit for the year from the above discontinued operations

The combined results of the discontinued operations included in the profit for the previous year ended 31 March 2018 are set out below.

		Previous year ended 31 March 2018
I	Revenue from operations	1,851.44
II	Other income	6.13
III	**Total income (I+II)**	**1,857.57**
IV	**Expenses**	
	Cost of materials consumed	826.26
	Purchases of stock-in-trade	68.52
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25.96
	Excise duty on sale of goods	23.88
	Employee benefit expenses	182.40
	Finance costs	66.34
	Depreciation and amortisation expenses	119.53
	Other expenses	439.21
	Total expenses (IV)	**1,752.10**
	Profit / (loss) from discontinued operations before tax (III-IV)	**105.47**

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	Previous year ended 31 March 2018
Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations	4,100.95
Tax expense attributable to discontinued operations	
(a) Current tax	36.27
(b) MAT credit entitlement	(36.27)
Profit / (loss) from discontinued operations after tax	**4,206.42**
Profit / (loss) for the year from discontinued operations	
attributable to the owner of the Company	4,238.41
non-controlling interests	(31.99)

	Previous year ended 31 March 2018
Cash flows of discontinued operations	
Net cash inflows / (outflows) from operating activities	100.07
Net cash inflows / (outflows) from investing activities	(120.25)
Net cash inflows / (outflows) from financing activities	34.79
Net cash inflows	**14.61**

B The major classes of assets and liabilities of the discontinued operations - Naari Pharma Private Limited (discontinued w.e.f 01 July 2017) are as under:

		As at 30 June 2017
I	**Assets**	
	Property, plant and equipment	479.72
	Capital work-in-progress	90.34
	Intangible assets	3.39
	Other financial assets	11.54
	Other assets	321.91
	Inventories	233.78
	Trade receivables	180.96
	Cash and cash equivalents	5.61
	Other bank balances	15.99
	Loans	0.26
	Assets classified as held for sale (I)	**1,343.50**
II	**Liabilities**	
	Borrowings	1,186.67
	Provisions	10.95
	Deferred tax liabilities	13.55
	Trade payables	210.72
	Other financial liabilities	129.85
	Other liabilities	3.22
	Liabilities directly associated with the group of assets classified as held for sale (II)	**1,554.96**
	Net assets/liabilities directly associated with disposal group (I-II)	**(211.46)**

C. The major classes of assets and liabilities of the discontinued operations - SeQuent Scientific Limited (discontinued portion) and SeQuent Penems Private Limited are as under:

		SeQuent Scientific Limited (discontinued portion)	SeQuent Penems Private Limited	Total
		As at 01 October 2017	As at 01 October 2017	As at 01 October 2017
I	**Assets**			
	Property, plant and equipment	1,525.43	167.35	1,692.78
	Capital work-in-progress	2.23	-	2.23
	Intangible assets	89.03	0.02	89.05
	Intangible assets under development	240.05	-	240.05
	Investments in subsidiaries	157.99	-	157.99
	Other financial assets	23.03	5.29	28.32
	Other assets	230.64	6.45	237.09
	Inventories	650.70	-	650.70
	Trade receivables	694.54	2.13	696.67
	Cash and cash equivalents	-	0.65	0.65
	Loans	-	0.34	0.34
	Total assets (I)	**3,613.64**	**182.23**	**3,795.87**
II	**Liabilities**			
	Borrowings	751.40	133.71	885.11
	Provisions	66.92	-	66.92
	Trade payables	876.41	0.06	876.47
	Other financial liabilities	103.01	11.38	114.39
	Other liabilities	21.27	7.28	28.55
	Total liabilities (II)	**1,819.01**	**152.43**	**1,971.44**
	Net assets/liabilities directly associated with disposal group (I-II)	**1,794.63**	**29.80**	**1,824.43**

42 Segment Reporting

A. Primary segment (Business segment)

The Group is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Group, the Group has only one business segment viz; pharmaceuticals as primary reportable segment.

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B. Secondary segment (Geographical segment)

The Group operates in three principal geographic location.

(i) Europe
(ii) Asia
(iii) Rest of the world

	Year ended 31 March 2019	Year ended 31 March 2018
I Revenue from operations		
Continuing operations		
Europe	4,902.77	4,014.60
Asia	3,088.11	2,379.45
Rest of the world	2,402.19	2,100.43
Discontinued operations		
Europe	-	91.36
Asia	-	1,081.71
Rest of the world	-	678.37
Total	10,393.07	10,345.92

	Year ended 31 March 2019	Year ended 31 March 2018
II Total assets		
Continuing operations		
Europe	4,014.99	3,325.89
Asia	6,833.66	6,244.74
Rest of the world	1,027.55	1,090.15
Total segment assets	11,876.20	10,660.78
Unallocated	2,002.57	2,766.84
Total	13,878.77	13,427.62
III Cost incurred during the year to acquire segment assets		
Continuing operations		
Europe	133.97	122.48
Asia	121.88	106.58
Rest of the world	5.43	2.16
Discontinued operations		
Asia	-	135.80
Total	261.28	367.02

43 Earnings Per Share

	Year ended 31 March 2019			Year ended 31 March 2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Basic earnings per share	2.00	-	2.00	(0.11)	17.51	17.40
Diluted earnings per share	1.99	-	1.99	(0.11)	17.40	17.29

Profit attributable to equity shareholders

	Year ended 31 March 2019			Year ended 31 March 2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit for the year attributable to equity holders of the parent:	486.60	-	486.60	(27.77)	4,243.43	4,215.66
Profit attributable to equity shareholders for basic and diluted earnings	486.60	-	486.60	(27.77)	4,243.43	4,215.66

Weighted average number of equity shares

	Year ended 31 March 2019	Year ended 31 March 2018
Issued equity shares at beginning of the year	24,37,36,195	24,37,36,195
Shares issue during the year	51,531	-
Effect of treasury shares	(9,98,351)	(14,45,200)
Weighted average number of equity shares at end of the year for basic EPS	24,27,89,375	24,22,90,995
Share options	11,96,735	16,50,343
Weighted average number of equity shares at end of the year for diluted EPS	24,39,86,110	24,39,41,338

44 Related party transactions

44.1 List of related parties

a) **Key management personnel**

Mr. Manish Gupta, Chief Executive Officer & Managing Director
Mr. Sharat Narasapur, Joint Managing Director
Mr. Tushar Mistry, Chief Financial Officer
Mr. Krupesh Mehta, Company Secretary
Mr. K E C Rajakumar, Non-Executive Director
Dr. S Devendra, Non-Executive Director
Dr. Gopakumar G. Nair, Chairman and Independent Director
Dr Kausalya Santhanam, Independent Director
Mr. Narendra Mairpady, Independent Director

b) **Enterprises owned or significantly influenced by individuals who have control/significant influence over the Company/ subsidiaries**

Strides Pharma Science Limited (formely known as Strides Shasun Limited)
Atma Projects
Agnus Holdings Private Limited
Chayadeep Properties Private Limited
Pronomz Ventures LLP
Naari Pharma Private Limited (From 27 July 2017)
Solara Active Pharma Sciences Limited (From 01 October 2017)
SeQuent Penems Private Limited (From 01 October 2017)

Note : Related parties are as identified by the Group and relied upon by the Auditors.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

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44.2 Transactions for the year

	Key management personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company/ subsidiaries	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Sale of materials/services				
Strides Pharma Science Limited			0.65	175.14
Solara Active Pharma Sciences Limited			162.45	70.88
Sale of assets				
Solara Active Pharma Sciences Limited			1.45	-
Interest income				
Naari Pharma Private Limited			1.07	20.57
Purchase of materials				
Solara Active Pharma Sciences Limited			217.44	213.36
Strides Pharma Science Limited			0.79	-
Managerial remuneration				
Mr. Manish Gupta	42.27	21.82		
Mr. Sharat Narsapur	7.48	6.84		
Mr. Tushar Mistry	6.87	6.27		
Mr. Krupesh Mehta	1.60	1.29		
Directors Sitting Fees	1.59	1.99		
Reimbursement of expenses to				
Strides Pharma Science Limited			1.05	6.30
Reimbursement of expenses from				
Naari Pharma Private Limited			0.28	2.15
Solara Active Pharma Sciences Limited			3.06	-
Rent expense				
Solara Active Pharma Sciences Limited			8.40	2.81
SeQuent Penems Pvt Ltd			1.80	0.90
Security deposit refund by				
Chayadeep Properties Private Limited			-	5.12
Security deposit given to				
Solara Active Pharma Sciences Limited			4.20	-
Commission on Corporate Guarantee given to lender for loan facility				
Naari Pharma Private Limited			-	1.60
Loans/advances repaid to the Group				
Naari Pharma Private Limited			111.74	168.86
Acquisition of Mahad EU-GMP API facility				
Solara Active Pharma Sciences Limited			464.00	-
Fees for managing the Mahad facility				
Solara Active Pharma Sciences Limited			10.00	-
Transactions carried out by the Company on behalf of Solara Active Pharma Sciences Limited				
Sales			259.00	-
Purchase			259.00	-
Collection from end customers			168.00	-
Commission income on sales made on behalf of Solara Active Pharma Sciences Limited				
Solara Active Pharma Sciences Limited			1.30	-

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44.3 Balance as at balance sheet date

	Key management personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company/ subsidiaries	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Trade Receivables / other current assets				
Strides Pharma Science Limited			0.52	6.72
Naari Pharma Private Limited			8.93	8.84
Solara Active Pharma Sciences Limited			81.89	198.88
Advance receivable				
Naari Pharma Private Limited			-	110.57
Security deposit receivable				
Solara Active Pharma Sciences Limited			4.20	-
SeQuent Penems Pvt Ltd			2.50	2.50
Trade payables				
Atma Projects			0.20	0.20
Agnus Holdings Private Limited			-	0.01
Strides Pharma Science Limited			7.94	6.80
Solara Active Pharma Sciences Limited			51.75	90.80
SeQuent Penems Pvt Ltd			1.94	-

	31 March 2019	31 March 2018
45 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
a. Claims against the Company not acknowledged as debts *		
- Income tax	2.60	0.27
* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the appellate authority and the Group's right for future appeal before the judiciary.		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible and Intangible fixed assets	92.78	3.22

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46 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount
Parent								
SeQuent Scientific Limited	122.87%	9,177.92	13.36%	75.87	78.54%	(421.31)	(1,071.83%)	(345.44)
Subsidiaries								
Indian								
Alivira Animal Health Limited	57.37%	4,284.79	16.72%	95.12	0.18%	(0.95)	292.19%	94.17
SeQuent Research Limited	1.08%	80.40	1.97%	11.18	(0.06%)	0.34	35.74%	11.52
Elysian Life Sciences Private Limited	(1.50%)	(112.37)	(0.07%)	(0.37)	-	-	(1.15%)	(0.37)
SeQuent Antibiotics Private Limited	-	-	(0.01%)	(0.05)	-	-	(0.16%)	(0.05)
SeQuent Pharmaceuticals Private Limited	-	-	(0.03%)	(0.15)	-	-	(0.47%)	(0.15)
Foreign								
Provet Veterinerlik Urunleri Tic.Ltd.Sti	3.73%	278.73	(5.27%)	(29.99)	0.29%	(1.53)	(97.80%)	(31.52)
Alivira Animal Health Limited, Ireland	37.51%	2,801.54	(3.65%)	(20.77)	-	-	(64.44%)	(20.77)
Alivira France	1.34%	100.34	(2.97%)	(16.88)	-	-	(52.37%)	(16.88)
Alivira UA Limited	0.00%	0.14	-	-	-	-	-	-
Fendigo SA	1.28%	95.26	5.36%	30.49	-	-	94.60%	30.49
Fendigo BV	0.33%	24.49	1.34%	7.64	-	-	23.71%	7.64
N-Vet AB	1.84%	137.49	2.27%	12.92	-	-	40.09%	12.92
Topkim İlaç Premiks San. ve Tic. A.Ş	3.97%	296.34	14.16%	80.54	0.49%	(2.64)	241.71%	77.90
Interchange Veterinária Indústria E Comércio Ltda.	(2.01%)	(150.44)	2.79%	15.85	-	-	49.18%	15.85
Alivira Saude Brasil Participacoes Ltda	(1.08%)	(81.04)	(10.38%)	(59.05)	-	-	(183.22%)	(59.05)
Evance Brasil Participacoes Ltda	0.09%	6.68	1.23%	6.99	-	-	21.69%	6.99
Laboratorios Karizoo, S.A.	6.78%	506.12	22.83%	129.87	-	-	402.96%	129.87
Laboratorios Karizoo, S.A. DE C.V. (Mexico)	0.45%	33.80	0.52%	2.96	-	-	9.18%	2.96
Comercial Vila Veterinaria De Lleida S.L.	0.67%	49.78	1.68%	9.54	-	-	29.60%	9.54
Phytotherapic Solutions S.L	1.30%	97.03	4.15%	23.59	-	-	73.19%	23.59
Vila Viña Participacions S.L.	3.47%	258.84	8.65%	49.20	-	-	152.66%	49.20
Alivira Italia S.R.L.	0.03%	1.94	-	-	-	-	-	-
Bremer Pharma GmbH	0.95%	70.99	(2.76%)	(15.68)	-	-	(48.65%)	(15.68)
Total		**17,958.77**		**408.82**		**(426.09)**		**(17.27)**
Adjustments arising out of consolidation	(145.82%)	(10,891.85)	13.68%	77.78	15.11%	(81.07)	(10.22%)	(3.29)
Non-controlling interest in all subsidiaries	5.39%	402.51	14.45%	82.17	5.48%	(29.38)	163.81%	52.79
Total		**7,469.43**		**568.77**		**(536.54)**		**32.23**

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47 Subsidiaries

Details of the Company's subsidiaries at the end of each reporting year are as follows:

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		As at 31 March 2019	As at 31 March 2018
Wholly owned subsidiaries			
Alivira Animal Health Limited, India	India	**100%**	100%
SeQuent Research Limited	India	**100%**	100%
SeQuent Antibiotics Private Limited (Refer note 6)	India	**100%**	100%
SeQuent Pharmaceuticals Private Limited (Refer note 6)	India	**99.99%**	99.99%
Elysian Life Sciences Private Limited	India	**100%**	100%
Step down subsidiaries:			
Alivira Animal Health Limited, Ireland	Ireland	**100%**	100%
Alivira Animal Health Australia Pty Limited	Australia	**100%**	100%
Provet Veteriner Ürünleri San. ve Tic. A.S.	Turkey	**60%**	60%
Topkim Ilaç Premiks San. ve Tic. A.S	Turkey	**60%**	60%
Fendigo SA (Refer note 4 below)	Belgium	**92.5%**	85%
Fendigo BV	Netherland	**85%**	85%
N-Vet AB (Refer note 5 below)	Sweden	**96.1%**	85%
Alivira Saude Brasil Participacoes Ltda	Brazil	**100%**	100%
Interchange Veterinária Indústria E Comércio Ltda.	Brazil	**70%**	70%
Laboratorios Karizoo, S.A	Spain	**60%**	60%
Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	**60%**	60%
Comercial Vila Veterinaria De Lleida S.L.	Spain	**60%**	60%
Phytotherapic Solutions S.L	Spain	**60%**	60%
Vila Viña Participacions S.L.	Spain	**60%**	60%
Alivira UA Limited	Ireland	**70%**	70%
Alivira France (Refer note 3 below)	France	**75%**	75%
Bremer Pharma GmbH (Refer note 1 below)	Germany	**100%**	-
Evance Saude Animal Ltda. (Refer note 2 below)	Brazil	**70%**	-
Alivira Italia S.R.L. (Refer note 7)	Italy	**100%**	-

Notes:

1 During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired 100% stake in Bremer Pharma GmbH.

2 During the year, the Company's step down subsidiary, Alivira Saude Brasil Participacoes Ltda, Brazil incorporated Evance Saude Animal Ltda. with 70% stake in Brazil.

3 Alivira France was incorporated on 02 February 2018.

4 During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additonal 7.5% stake in Fendigo SA, Belgium.

5 During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additonal 11.1% stake in N-Vet AB, Sweden.

6 SeQuent Antibiotics Private Limited and SeQuent Pharmaceuticals Private Limited have applied for strike off their name from register of Registrar of Company - Bengaluru under fast track exit scheme of Ministry of Corporate Affairs.

7 During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland incorporated Alivira Italia S.R.L., Italy with 100% stake.

48 Operating leases

i) Leases as lessee

a) The Group's significant leasing arrangement is mainly in respect of factory building, land and office premises.

The Group has entered into non-cancellable lease arrangement for its facilities and office premises. The said lease arrangements have an escalation clause where in lease rental is subject to an increment ranging from 6% to 10%. Details of lease commitments are given below:

ii) Payments recognised as an expense (continuing operations):

	31 March 2019	31 March 2018
Lease payments	**99.39**	73.51
	99.39	73.51

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iii) Non-cancellable operating lease commitments:

	31 March 2019	31 March 2018
Not later than 1 year	**4.55**	4.55
Later than 1 year and not later than 5 years	**18.19**	18.19
More than five years	**104.58**	109.13
	127.32	**131.87**

49 Employee benefit plans

(i) Defined contribution plans:

The Group makes Provident Fund and Employee State Insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 24.06 (31 March 2018 - ₹ 21.01) for Provident Fund contributions and ₹ 3.33 (31 March 2018 - ₹ 1.88) for Employee State Insurance scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

In respect of the foreign subsidiaries, the subsidiaries makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the subsidiaries are required to contribute a specified percentage payroll costs to fund the benefits. The Group recognised ₹ 32.94 (31 March 2018 - ₹ 32.39) for Social Security scheme contributions.

(ii) Defined benefit plans:

The Group has a defined Gratuity benefit plans for employees in India. The foreign subsidiaries have termination benefits for its employees in Turkey. The following table summarises 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 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense recognised in the statement of profit and loss:				
Current service cost	**6.88**	**3.34**	11.72	4.08
Net interest cost	**2.42**	**1.10**	4.02	1.31
Expected return on plan assets	**(0.13)**	**-**	(0.30)	-
Component of defined benefit costs recognised in the statement of profit and loss	**9.17**	**4.44**	**15.44**	**5.39**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest cost)	**(0.08)**	**-**	0.43	-
Actuarial (gains) / losses arising from changes in financial assumptions	**0.40**	**(0.57)**	(10.55)	(0.94)
Actuarial (gains) / losses arising from changes in experience adjustments	**(0.12)**	**1.09**	2.69	(0.72)
Component of defined benefit costs recognised in the other comprehensive income	**0.20**	**0.52**	**(7.43)**	**(1.66)**
Total	**9.37**	**4.96**	**8.01**	**3.73**

The current service cost is included in 'Employee benefit expenses' and net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet:

	31 March 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	**40.65**	**9.41**	30.60	14.08
Fair value of plan assets	**2.45**	**-**	1.79	-
Funded status [surplus / (deficit)]	**(38.20)**	**(9.41)**	(28.81)	(14.08)
Net defined benefit obligation	**(38.20)**	**(9.41)**	**(28.81)**	**(14.08)**

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

	31 March 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening balance	**30.60**	**14.08**	80.79	14.65
Current service cost	**6.88**	**3.34**	11.72	4.08
Interest cost	**2.42**	**1.10**	4.02	1.31
Liability transferred out / divestment	**-**	**-**	(62.85)	-
Liability transferred in / acquisitions	**4.78**	**-**	14.92	-

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	31 March 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Benefits paid	**(4.31)**	**(9.86)**	(10.14)	(2.86)
Actuarial (gains) / losses arising from changes in financial assumptions	**0.40**	**(0.57)**	(10.55)	(0.94)
Actuarial (gains) / losses arising from changes in experience adjustments	**(0.12)**	**1.09**	2.69	(0.72)
Exchange gain or loss	**-**	**0.23**	-	(1.44)
Closing defined benefit obligation	**40.65**	**9.41**	**30.60**	**14.08**

B. **Movements in the fair value of plan assets are as follows:**

	31 March 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	**1.79**	**-**	4.24	-
Expected return on plan assets	**0.13**	**-**	0.30	-
Actual Group contributions	**3.33**	**-**	9.48	-
Liability transferred out / divestment	**-**		(1.65)	
Benefits paid	**(2.92)**	**-**	(10.15)	-
Remeasurement loss/(gain):				
Return on plan assets (excluding amounts included in net interest cost)	**0.12**	**-**	(0.43)	-
Closing fair value of plan assets	**2.45**	**-**	**1.79**	**-**

Actual return on plan assets is ₹ 0.12 (31 March 2018 ₹ (0.43)).

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 2019		31 March 2018	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumption:				
Discount rate	**7.40% - 7.55%**	**17.59%**	7.05% - 7.70%	12.27%
Salary escalation rate	**8.00%**	**15.00%**	8.00%	10.00%
Demographic assumption:				
Withdrawal rate	**8.00% to 12.00%**	**NA**	8.00% to 12.00%	NA
Mortality rate	**IALM (2006-08) Ultimate**	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

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

Sensitivity analysis for significant actuarial assumptions for the determination of the defined benefit obligation is as follows:

	Impact on the defined benefit obligation			
	Gratuity		Termination benefits	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2019				
Discounting rate	(2.40)	2.91	(0.34)	0.24
Salary escalation rate	2.86	(2.41)	0.03	(0.03)
31 March 2018				
Discounting rate	(1.72)	1.89	13.46	14.78
Salary escalation rate	1.89	(1.73)	14.13	14.04

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50 Financial instruments

The carrying value/ fair value of financial instruments by categories are as follows:

	Carrying value and fair value	
	31 March 2019	31 March 2018
Financial assets		
Measured at amortised cost		
Loans	**7.58**	116.77
Trade receivables	**2,782.54**	2,583.49
Cash and cash equivalents	**677.89**	395.44
Other bank balances	**42.50**	29.04
Other financial assets	**73.90**	68.69
Investment in government securities	**0.08**	0.08
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	**1,797.32**	2,222.01
Investment in equity instruments (Unquoted)	**0.05**	0.05
Measured at fair value through profit & loss (FVTPL)		
Investments in mutual fund	**3.75**	168.64
Derivative assets	**0.91**	-
Total	**5,386.52**	**5,584.21**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	**3,172.16**	3,048.95
Trade payables	**2,093.50**	1,604.92
Other financial liabilities	**343.61**	323.63
Measured at fair value through profit & loss (FVTPL)		
Derivative liabilities	**-**	0.14
Measured at fair value through other comprehensive income (FVTOCI)		
Put option liability	**322.70**	953.47
Total	**5,931.97**	**5,931.11**

50.1Fair 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 2019 and 31 March 2018:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
Derivative financial assets (Refer note 16):					
Foreign currency forward contracts	31 March 2019	0.91	-	0.91	-
Financial liabilities measured at fair value:					
Derivative financial liabilities (Refer note 28):					
Foreign currency forward contracts	31 March 2018	0.14	-	0.14	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (Refer notes 6,11 and 22):					
Investment in equity instruments	31 March 2019	1,797.32	1,797.32	-	-
Investment in equity instruments	31 March 2018	2,222.01	2,222.01	-	-
Put option liability	31 March 2019	322.70	-	-	322.70
Put option liability	31 March 2018	953.47	-	-	953.47
Financial assets designated at fair value profit and loss (Refer note 11):					
Investment in mutual funds	31 March 2019	3.75	-	3.75	-
Investment in mutual funds	31 March 2018	168.64	-	168.64	-

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

Note:

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

(ii). The fair value of the investments in equity is based on the quoted price. The fair value of investments in mutual fund is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

50.2 Financial risk management objective and policies

The Group principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk

- Liquidity risk

- Market risk

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

Risk management framework

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

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

The Group risk management policies are established to identify and analyse the risks faced by the Group, 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 Group activities. The Group, 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.

The Group has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange/ Regulations. The Audit Committee comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of Internal Audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

50.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. 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 Group monitors the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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

The Group trade and other receivables are actively monitored to review creditworthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

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

	31 March 2019	31 March 2018
Outstanding for more than 6 months	66.51	164.07
Others	2,716.03	2,419.42
Total	**2,782.54**	**2,583.49**

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

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non- performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31 March 2019 and 31 March 2018.

50.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group 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 Group reputation.

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

The Group treasury department is responsible for managing the short-term and long-term liquidity requirements of the Group.

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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 Group 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 2019 and 31 March 2018:

	As at 31 March 2019			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	**1,693.70**	**422.48**	**1,055.98**	**3,172.16**
Trade payables	**2,093.50**	-	-	**2,093.50**
Other financial liabilities	**343.61**	-	-	**343.61**

	As at 31 March 2018			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	2,013.50	399.53	635.92	3,048.95
Trade payables	1,604.92	-	-	1,604.92
Other financial liabilities	323.63	-	-	323.63

50.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group 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 Group is exposed to interest rate risk arising mainly from debt. The Group is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Group is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Group functional currency; hence exposures to exchange rate fluctuations arise. Considering the country and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures.

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

Foreign currency	31 March 2019		31 March 2018	
	Receivables/ (payables)	Receivables/ (payables) in foreign currency	Receivables/ (payables)	Receivables/ (payables) in foreign currency
EURO	**47.75**	**0.61**	55.80	0.69
USD	**1,128.83**	**16.32**	559.26	8.60
SGD	**(0.01)**	**(0.00)**	(0.00)	(0.00)
EURO	**(47.37)**	**(0.61)**	(44.56)	(0.55)
USD	**(620.68)**	**(8.97)**	(404.59)	(6.22)
CHF	**(3.24)**	**(0.05)**	(3.11)	(0.05)
THAI BAHT	-	-	(0.14)	(0.08)
JPY	**(3.12)**	**(4.99)**	-	-
AUD	**0.11**	**0.00**	-	-
GBP	**0.62**	**0.01**	-	-

b) Derivative financial instruments

Derivative transactions are undertaken to act as economic hedges for the Group exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(i) Outstanding forward exchange contracts entered into by the Group as at 31 March 2019 and 31 March 2018:

Currency	Amount in US $			
	As at 31 March 2019	As at 31 March 2018	Buy / Sell	Cross currency
USD	**1.90**	0.20	Sell	Rupees

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c) Foreign currency sensitivity analysis

The Group is mainly exposed to currency fluctuation of USD and Euro.

The following table details the Group 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 on profit or loss and total equity	
	31 March 2019	31 March 2018
Currency of U.S.A (USD)	**(50.82)**	15.47
Currency of Europe (Euro)	**(0.04)**	(1.12)
Others	**0.56**	0.33

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.

d) Interest rate risk exposure

The Group policy is to minimise interest rate cash flows risk exposures on long-term borrowings. The Group has taken several borrowings on fixed rate of interest. Since there is no interest rate cash outflow associated with such fixed rate loans, an interest rate sensitivity has not been performed.

At the reporting date the interest rate profile of the Group interest-bearing financial instruments are as follows:

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets		
-Margin money deposit	**50.59**	43.12
	50.59	**43.12**
Financial liabilities		
-Borrowings from bank	**492.61**	83.47
-Borrowings from others	**94.01**	16.88
	586.62	**100.35**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	**1,282.38**	1,467.59
-Borrowings from others	**1,303.16**	1,481.01
Total	**2,585.54**	**2,948.60**

Fair value sensitivity analysis for fixed-rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	Profit or loss	
	100 bps (increase)	100 bps decrease
31 March 2019		
Variable-rate instruments	(25.86)	25.86
	(25.86)	**25.86**
31 March 2018		
Variable-rate instruments	(29.49)	29.49
	(29.49)	**29.49**

51 Capital management

The Group manages its capital to ensure that entities in the Group 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 Group consists of net debt (borrowings as detailed in note 21, 26 and 28 offset by cash and bank balances) and total equity of the Group.

The Group's Gearing Ratio at end of each reporting year is as follows:

	31 March 2019	31 March 2018
Debt (i)	**3,172.16**	3,048.95
Cash and bank balances (ii)	**677.89**	395.44
Other bank balances (iii)	**42.44**	28.94
Other non-current financial assets (margin money) (iv)	**8.15**	14.18
Net debt [(i)-{(ii)+(iii)+(iv)}]	**2,443.68**	**2,610.39**
Total equity	**7,469.42**	**6,845.62**
Gearing ratio	**32.72%**	**38.13%**

Note:

(i) Debt is defined as long-term (including current maturity but excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt/ Equity.

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to the consolidated financial statements for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

52 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), in the year 2008, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors.

Employees Stock Option Plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
30 May 2013	27,00,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' Scheme.	5 years
12 February 2014	5,00,000		
28 May 2014	9,00,000		
12 November 2014	10,00,000		
11 January 2016	5,00,000		
14 May 2016	3,45,000		
23 May 2017	50,000		
03 November 2018	26,60,000		

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 28.38 (during the year ended 31 March 2018: ₹74.17). Options were priced using a Black Scholes model. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements, if any, were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

	31 March 2019	31 March 2018
Inputs into the model		
Grant date	03 November 2018	23 May 2017
Grant date share price	51.13	118.30
Exercise price	40.00	87.00
Expected volatility	40.16%	54.61%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	7.66%	6.99%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows.

	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees stock option plan:				
Option outstanding at the beginning of the year	24,41,000	29.00	29,25,000	29.87
Granted during the year	26,60,000	40.00	50,000	87.00
Exercised during the year	4,98,380	13.52	3,44,800	20.69
Forfeited during the year	50,000	87.00	1,89,200	72.93
Options outstanding at the end of the year	**45,52,620**	**36.48**	**24,41,000**	**29.00**

D. Share options exercised during the year

The following share options were exercised during the year:

Option series	Number exercised	Exercise date	Share price at exercise date
1. Granted on 30 May 2013	20,000	22 May 2018	47.68
2. Granted on 28 May 2014	25,000	05 June 2018	47.20
3. Granted on 28 May 2014	78,380	10 October 2018	43.70
4. Granted on 11 February 2014	3,75,000	10 October 2018	43.70

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 36.48 (as at 31 March 2018: ₹ 29.00) and weighted average remaining contractual life of 3.03 years (as at 31 March 2018: 1.68 years).

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to the consolidated financial statements for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

53 Business combinations

53.1 Acquisition of Bremer Pharma GmbH

On 01 April 2018, the Group acquired 100% of the interest in Bremer Pharma GmbH (Bremer), through a wholly owned subsidiary of Alivira Animal Health Limited, Ireland, a wholly owned subsidiary of Alivira Animal Health Limited, India.

The acquisition was executed through a share purchase agreement to acquire 100% of the ownership interest in Bremer. Bremer is a niche veterinary health company in Germany with focus on cattle and swine segments. Bremer manufactures, sells, and exports generic veterinary pharmaceutical products. It also provides contract manufacturing services that include manufacturing and bottling sterile solutions, emulsions, and suspensions, as well as preparing non-sterile liquids and powders. It serves customers through a network of representatives in Germany and internationally. Bremer has a portfolio of over 400+ registered products across Europe, Far East, MENA, Russia & Africa operating in vitamins, antibiotics and hormones.

The fair value of purchase consideration is ₹ 194.44 (including loan of ₹ 115.02).

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 215.68. The excess of fair value of net assets acquired over the purchase consideration has been attributed towards capital reserve.

Component	Fair value
Property, plant and equipment	64.47
Capital work-in-progress	0.31
Intangible assets	10.53
Intangible assets - Trade Marks	14.52
Deferred tax liabilities on intangible assets	(2.53)
Working capital:	
Inventory	107.30
Cash and cash equivalents	65.02
Others	(43.94)
Total	**215.68**
Non-controlling interest	-
Capital reserve	(21.24)
Total purchase price	**194.44**

Total consideration	Amount
Cash	65.60
Loan	115.02
Deferred consideration	13.82
Total	**194.44**

Under the subscription agreement, the Group is required to pay the deferred consideration comprising of inventory benefits arising from effective date net working capital adjustment and insurance claim received on completion of activities.

The intangible assets are amortised over a period of twenty years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised.

53.2 Acquisition of Mahad EU-GMP API facility

With effect from 01 August 2018 (''the Acquisition date''), the Company has acquired the EU-GMP API facility of Solara Active Pharma Solutions Limited located at Mahad, Maharashtra for a consideration of ₹ 464.00. The acquisition will enable to compliment the current manufacturing facility of Alivira Animal Health Limited (a Wholly owned subsidiary of the Company) located at Vizag (USFDA approved) and a manufacturing facility of the Company located at Tarapur.Cash paid towards purchase consideration amounted to ₹ 464.00 has been allocated based on the fair value of net assets acquired on acquisition date as follows:

Component	Fair value
Property, plant and equipment	292.07
Capital work-in-progress	4.67
Intangible assets	6.14
Working capital:	
Inventory	113.31
Cash and cash equivalents	1.53
Others	46.28
Total purchase price	**464.00**

53.3 Impact on acquisition on the results of the Group :

Results from continuing operations for the year ended 31 March 2019 includes the following revenue and profit generated from the new acquisitions:

Entity	Revenue	Profit for the year
Bremer Pharma GmbH (Bremer)	521.44	(15.68)
Mahad EU-GMP API facility (Mahad facility)	881.13	46.91

The acquistion of Bremer was with effect from 01 April 2018. Had the Mahad facility been acquired from 01 April 2018, the proforma revenue and profit for the year from the Mahad facility would have been as below:

Entity	Revenue	Profit for the year
Mahad EU-GMP API facility	**1,321.70**	70.37

Note: The proforma numbers to represent an approximate measure of the performance of the acquired business on an annualised basis.

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to the consolidated financial statements for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

54 Interest of major non controlling interest in group activities:

Summarised balance sheet	Vila Vina. Participacions, S.L.	
	31 March 2019	31 March 2018
Current assets	1,550.99	1,378.14
Current liabilities	1,153.95	1,021.18
Net current assets	**397.04**	**356.96**
Non-current assets	685.07	668.86
Non-current liabilities	136.55	175.74
Net non-current assets	**548.52**	**493.12**
Net assets	**945.56**	**850.08**
Accumulated non-controlling interest	**361.84**	**329.45**

Summarised profit and loss	Vila Vina. Participacions, S.L.	
	31 March 2019	31 March 2018
Revenue	3,557.37	3,076.79
Profit for the year	167.82	185.56
Other comprehensive income	-	-
Total comprehensive income	**167.82**	**185.56**
Profit allocated to non-controlling interest	67.13	74.22
Dividends paid to non-controlling interest	16.67	24.01

55 During the year, the Company has revised the useful life of certain acquired intangibles from 5 years to 20 years. Consequently the profit for the year ended 31 March 2019 is higher by ₹ 65.92 (net of deferred tax of ₹ 21.37).

56 The financial statement were approved for issue by the Board of Directors on 14 May 2019.

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 14 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Sequent Scientific Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of SEQUENT SCIENTIFIC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive loss, 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment assessment on investment in subsidiaries and amount due from subsidiaries** Refer Note 6A, 7 and 17 to the standalone financial statements The Company has investment in subsidiaries amounting to ₹ 6,085.67 million net of impairment losses of ₹ 1.20 million, and amounts due from subsidiaries amounting to ₹ 602.54 million net of impairment loss of ₹ 112.09 million as at 31 March, 2019 . The Management performed impairment assessment for subsidiaries with indicators of impairment and determined the recoverable amount based on estimates of future cash flows of the investments. The impairment reviews performed by the Management contained a number of significant judgements and estimates including short-term and long-term growth rates and discount rate. We focused on this area because of the significance of the balances and the significant judgements and assumptions involved in impairment assessment by the Management.	Principal audit procedures performed: We assessed the Management's process to identify and review the indicators for impairment of investment in and dues from subsidiaries. Of the above, for the subsidiaries having impairment indicators, we performed testing of design and operating effectiveness of internal controls and substantive testing as follows: » Evaluated the design of the management's internal control around the impairment assessment process. » Understood the key assumptions considered in the management's estimates of future cash flows. » Involved internal experts to evaluate the key assumptions for short-term and long-term growth rates considered in the estimates of future cash flows and the discount rates used in the calculations. » Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. » Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. » We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.

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

» The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report and Corporate Governance, but does not include the standalone financial statements, consolidated 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 statement 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 Responsibility 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 financial 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 system in place and the operating effectiveness of such controls.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in

"Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)
THANE, May 14, 2019
SPK/JKS/DSS/2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Sequent Scientific Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)
THANE, May 14, 2019
SPK/JKS/DSS/2019

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the lease agreement, we report that in respect of building constructed on leased land, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies and other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits. Hence, reporting under clause (v) of the Order is not applicable to the company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Goods and Services Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
Income-tax Act, 1961	Income-tax	Income-tax Appellate tribunal	A.Y. 2006-07	0.27
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2016-17	2.33*

* Net of ₹ 0.57 million paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, and financial institutions. The Company has not taken any loans or borrowings from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of Initial public offer/ further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)
THANE, May 14, 2019
SPK/JKS/DSS/2019

BALANCE SHEET

as at 31 March 2019

All amounts are in ₹ million unless otherwise stated

	Notes	As at 31 March 2019	As at 31 March 2018
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**481.45**	189.07
(b) Capital work-in-progress	3	**0.32**	15.31
(c) Investment property	4	-	-
(d) Other intangible assets	5	**42.80**	47.76
(e) Intangible assets under development	5	-	15.90
(f) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	6	**6,085.67**	4,510.04
(b) Other investments	6	**1,795.97**	2,216.69
(ii) Loans	7	**602.54**	1,141.79
(iii) Other financial assets	8	**15.26**	6.06
(g) Deferred tax assets (net)	9	**67.03**	53.74
(h) Income tax assets (net)	10	**11.75**	13.46
(i) Other non-current assets	11	**221.69**	159.48
Total non-current assets		**9,324.48**	**8,369.30**
2. Current assets			
(a) Inventories	12	**253.29**	138.33
(b) Financial assets			
(i) Investments	13	**0.95**	139.82
(ii) Trade receivables	14	**429.01**	784.66
(iii) Cash and cash equivalents	15	**10.66**	9.96
(iv) Bank balances other than (iii) above	16	**8.11**	20.49
(v) Loans	17	**0.07**	112.23
(vi) Other financial assets	18	**5.36**	5.48
(c) Other current assets	19	**157.00**	194.47
Total current assets		**864.45**	**1,405.44**
Total assets		**10,188.93**	**9,774.74**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	20	**493.74**	487.47
(b) Other equity	21	**8,684.17**	8,998.70
Total equity		**9,177.91**	**9,486.17**
II Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	**206.08**	-
(b) Provisions	23	**25.38**	21.67
Total non-current liabilities		**231.46**	**21.67**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**181.04**	-
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	**6.15**	7.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	**519.90**	238.32
(iii) Other financial liabilities	26	**64.61**	12.82
(b) Other current liabilities	27	**7.16**	6.32
(c) Provisions	28	**0.70**	2.12
Total current liabilities		**779.56**	**266.90**
Total liabilities		**1,011.02**	**288.57**
Total equity and liabilities		**10,188.93**	**9,774.74**

See accompanying notes to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated except for earnings per share information

		Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	29	1,676.77	1,072.36
II	Other income	30	135.25	242.69
III	**Total income (I+II)**		**1,812.02**	**1,315.05**
IV	**Expenses**			
	(a) Cost of materials consumed	31.a	773.39	306.57
	(b) Purchases of stock-in-trade	31.b	202.32	491.43
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	31.c	(29.49)	(4.22)
	(d) Excise duty on sale of goods		-	12.29
	(e) Employee benefit expenses	32	109.69	118.50
	(f) Finance costs	33	32.20	3.92
	(g) Depreciation and amortisation expenses	34	72.64	36.67
	(h) Other expenses	35	589.24	331.65
	Total expenses (IV)		**1,749.99**	**1,296.81**
V	**Profit/(loss) from continuing operations before tax and exceptional items (III-IV)**		**62.03**	**18.24**
VI	Exceptional items	36	-	11.61
VII	**Profit/(loss) from continuing operations before tax (V-VI)**		**62.03**	**6.63**
VIII	**Tax expense**	39		
	(a) Current tax		13.29	0.39
	(b) MAT credit entitlement		(13.29)	(0.39)
	(c) MAT credit entitlement written off		-	28.67
	(d) Current tax of prior period reversed		(13.83)	-
	Total tax expenses/(credits)		**(13.83)**	**28.67**
IX	**Profit/(loss) from continuing operations after tax (VII-VIII)**		**75.86**	**(22.04)**
X	**Profit from discontinued operations**	37	-	170.74
	Gain on demerger of Human API operations		-	3,915.37
	Profit from discontinued operations before tax		**-**	**4,086.11**
	Tax expense of discontinued operations			
	(a) Current tax		-	36.27
	(b) MAT credit entitlement		-	(36.27)
	Profit from discontinued operations after tax (X)		**-**	**4,086.11**
XI	**Profit/(loss) for the year (IX+X)**		**75.86**	**4,064.07**
XII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	21		
	(a) Re-measurements gain / (loss) on defined benefit plans		0.44	(3.73)
	(b) Fair value gain / (loss) from investment in equity instruments		(421.75)	(1,419.54)
	Total other comprehensive income for the year (XII)		**(421.31)**	**(1,423.27)**
XIII	**Total comprehensive income for the year (XI+XII)**		**(345.45)**	**2,640.80**
	Earnings per equity share (for continuing operations)	38		
	(1) Basic (in ₹)		0.31	(0.09)
	(2) Diluted (in ₹)		0.31	(0.09)
	Earnings per equity share (for discontinued operations)	38		
	(1) Basic (in ₹)		-	16.86
	(2) Diluted (in ₹)		-	16.75
	Earnings per equity share (for continuing and discontinued operations)	38		
	(1) Basic (in ₹)		0.31	16.77
	(2) Diluted (in ₹)		0.31	16.66

See accompanying notes to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
Cash flows from operating activities			
Net Profit/(loss) before tax (from continuing and discontinued operations)		62.03	4,092.74
Adjustments for:			
Depreciation and amortisation		72.64	143.74
Bad trade receivables written off		0.01	11.51
Bad loans and advances written off		1.51	-
Provision for doubtful trade receivables		0.39	2.90
Provision for other than temporary diminution in value		1.10	-
Unrealised forex loss/(gain) (net)		(4.27)	(1.43)
Finance costs		32.20	45.43
Dividend income		(7.87)	(18.98)
Interest income		(114.66)	(140.66)
Profit on sale of property, plant and equipment (net)		(0.02)	(1.61)
Profit on sale of investment in subsidiary		-	(38.29)
Share-based payments to employees		7.09	15.06
Liabilities /provisions no longer required written back		(5.01)	(17.64)
Rental income		(0.40)	(3.21)
Corporate guarantee commission		(4.50)	(6.46)
Write-off of ineligible GST credits		-	11.61
Fair value gain on financial instruments measured at fair value through profit or loss		(0.50)	(14.00)
Gain on demerger of Human API business		-	(3,915.37)
Operating profit before working capital changes		**39.74**	**165.34**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		654.42	(388.40)
(Increase)/decrease in inventories		(0.49)	(163.69)
(Increase)/decrease in margin money and unpaid dividend accounts		12.38	(1.78)
Increase/(decrease) in trade payables, other payables and provisions		37.32	342.85
Net change in working capital		**703.63**	**(211.02)**
Cash generated by operations		**743.37**	**(45.68)**
Direct taxes (paid)/refund (net)		(5.39)	5.50
Net cash generated by operating activities	A	**737.98**	**(40.18)**
Cash flows from investing activities			
Capital expenditure on fixed assets, including capital advances		(31.65)	(104.66)
Proceeds from sale of fixed assets		0.08	26.00
Investment in subsidiaries		(0.90)	-
Payment for acquisition of Mahad Facility		(464.00)	-
Cash & cash equivalents pursuant to business combination		1.53	-
Purchase of current investments		(181.24)	(242.07)
Proceeds from sale of current investments		319.58	741.72
Loan given to related parties		(797.35)	(322.23)
Interest received		5.44	38.30
Dividend received		7.87	18.98
Net cash (used in) / generated by investing activities	B	**(1,140.64)**	**156.04**

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

		As at 31 March 2019	As at 31 March 2018
Cash flows from financing activities			
Proceeds/(repayment) from short-term borrowings (net)		**181.04**	38.52
Proceeds from long-term borrowings		**447.78**	1.63
Repayment of long-term borrowings		**(200.00)**	(69.09)
Proceeds from issue of shares (including proceeds from stock options exercised by employees)		**6.74**	7.13
Interest and other borrowing cost (including borrowing cost capitalised ₹ Nil), (31 March 2018 ₹ 1.29)		**(32.20)**	(37.57)
Dividend paid		**-**	(48.46)
Dividend distribution tax paid		**-**	(9.92)
Net cash generated from financing activities	C	**403.36**	**(117.76)**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	**0.70**	**(1.90)**
Cash and cash equivalents at the beginning of the year (Refer note 15)		**9.96**	11.86
Cash and cash equivalents at the end of the year (Refer note 15)		**10.66**	**9.96**

Note: The cashflow statement reflects the combined cashflows pertaining to continuing and discontinued operations.

See accompanying notes to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	24,37,36,195	487.47	24,37,36,195	487.47
Issued during the year	31,34,800	6.27	-	-
Balance at the end of the year	**24,68,70,995**	**493.74**	**24,37,36,195**	**487.47**

(b) Other equity

	Reserves & Surplus (note 21)						Equity instruments through other comprehensive income (note 21)	Total
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings		
Balance at 01 April 2017	10.65	10,130.65	155.50	147.48	(40.45)	(792.13)	2,474.13	12,085.83
Profit for the year	-	-	-	-	-	4,064.07	-	4,064.07
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(3.73)	(1,419.54)	(1,423.27)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,060.34**	**(1,419.54)**	**2,640.80**
Recognition of share-based payments	-	-	20.26	-	-	-	-	20.26
ESOP trust consolidated	-	-	-	-	7.79	-	-	7.79
Premium on exercise of options - proceeds received	-	9.12	-	-	-	-	-	9.12
Adjustment on account of demerger (Refer note 37.3)	-	(1,794.63)	-	-	-	(3,915.37)	-	(5,710.00)
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	(58.38)	-	(58.38)
Vested ESOP lapsed during the year	-	-	-	3.28	-	-	-	3.28
Balance at 31 March 2018	**10.65**	**8,345.14**	**175.76**	**150.76**	**(32.66)**	**(705.54)**	**1,054.59**	**8,998.70**
Profit for the year	-	-	-	-	-	75.86	-	75.86
Other comprehensive income for the year, net of income tax	-	-	-	-	-	0.44	(421.75)	(421.31)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**76.30**	**(421.75)**	**(345.45)**
Recognition of share-based payments	-	-	13.09	-	-	-	-	13.09
ESOP trust consolidated	-	-	-	-	11.26	-	-	11.26
Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	-	-	-	-	2.74	(2.74)	-
Premium on exercise of options - proceeds received	-	11.55	-	-	-	-	-	11.55
Shares issued to ESOP trust	-	133.67	-	-	(139.94)	-	-	(6.27)
Vested ESOP lapsed during the year	-	-	-	1.29	-	-	-	1.29
Balance at 31 March 2019	**10.65**	**8,490.36**	**188.85**	**152.05**	**(161.34)**	**(626.50)**	**630.10**	**8,684.17**

See accompanying notes to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Sathya P. Koushik
Partner

Thane, 14 May 2019

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

NOTES

to the standalone financial statements for the year ended 31 March 2019

1. CORPORATE INFORMATION

SeQuent Scientific Limited (the "Company") is a Company incorporated and domiciled in India and has its registered office at Thane, India. The shares of the Company are publicly traded on the National Stock Exchange of India Limited and BSE Limited. The Company is a leading integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (APIs and finished dosage formulations) and analytical services.

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.

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

» Share-based payment transaction as defined in Ind AS 102 – Share-based payment.

» Leasing transaction as defined in Ind AS 17 – 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.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest million (up to two decimals).

2.4 Significant Accounting Policies

i. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are reclassified from held-for-sale to held-for-use if they no longer meet the criteria to be classified as held-for-sale. On reclassification as held-for-use, a non-current asset is remeasured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale or held-for-distribution.

ii. Revenue Recognition

Effective 01 April 2018, the Company adopted Ind AS 115 - Revenue from Contracts with Customers, using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.

a) Sale of products

Revenue from sale of products is presented in the income statement within Revenue from operations. The Company presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognised when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognised when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates/incentives based on attainment of sales targets is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts, as described above, are recognised in the period in which the underlying sales are recognised. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers. The amount recognised for returns is estimated on the basis of past experience of sales returns.

b) Services

Income from technical service, support services and other management fees is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

c) Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d) Interest and dividend 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.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

iii. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As Lessee:

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected

NOTES

to the standalone financial statements for the year ended 31 March 2019

inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

As Lessor:
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

iv. 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.

v. 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.

vi Employee benefits

a) Defined benefit plans
Payments to defined contribution retirement 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.

The gratuity scheme is funded by the Company with Life Insurance Corporation of India and SBI Life Insurance Company Limited.

For defined retirement 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

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. 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.

b) Short-term and other long-term employee benefits
A liability is recognised for short-term employee benefit in respect of wages and salaries, annual leave and sick leave, 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.

Liabilities recognised in respect of other long-term 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 the employees up to the reporting date. Liability for un-availed leave considered to be long-term is carried based on an actuarial valuation carried out at the end of each financial year.

vii Share-based compensation
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

viii 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. The Company's current tax is calculated using tax rates that

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to the standalone financial statements for the year ended 31 March 2019

have been enacted or substantively enacted by the end of each reporting period.

Minimum alternative tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability. MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

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.

ix **Property, plant and equipment**

a) **Recognition and measurement**

Items of property, plant and equipment, properties in the course of constructions are measured at cost, less accumulated depreciation and accumulated impairment losses.

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.

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
Factory building	28-30
Plant and machinery	2-16
Furniture	10-16

The estimated useful lives, residual values and depreciation method are reviewed at financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

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.

x **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 each financial year end, 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.

b) **Internally generated intangible asset-research and development expenditure**

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

» the technical feasibility of completing the intangible asset so that it will be available for use or sale;

» the intention to complete the intangible asset and use or sell it;

» the ability to use or sell the intangible asset;

» how the intangible asset will generate probable future economic benefits;

» the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

» the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally

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generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c) **Useful lives of intangible assets**
Estimated useful lives of the intangible assets are as follows:

Nature of the assets	Useful life in years
Product / process development	5
Acquired software	3-5

d) **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.

e) **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.

xi **Investment property**
Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

xii **Inventories**
Inventories are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on First in First Out basis as follows:

(i) Raw materials, packing materials and consumables: At actual purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) Work-in-progress and intermediates: At material cost, conversion costs and appropriate share of production overheads.

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads and excise duty, wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

xiii **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 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.

xiv **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.

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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) ***Debt instruments at fair value through other comprehensive income (FVTOCI)***

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) The asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

(iii) ***Equity instruments at fair value through other comprehensive income (FVTOCI)***

All equity instruments other than investment in subsidiaries are measured at fair value. Equity instruments held for trading is classified as fair value through profit or loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to the statement of profit and loss, even on sale of the instrument. However the Company may transfer the cumulative gain or loss within the equity.

(iv) ***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. The Company has not designated any financial asset as FVTPL.

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

(v) **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 represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

c) **Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognised and measured at fair value. Attributable transaction cost are recognised in the statement of profit and loss.

d) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of:

(i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and

(ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

e) **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.

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f) **Foreign exchange gains and losses on financial assets and financial liabilities**

(i) The fair value of financial assets/ liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

(ii) For foreign currency denominated financial assets/ liabilities measured at amortised cost and fair value through profit or loss, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

(iii) Changes in carrying amount of investments in equity instruments at fair value though other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(iv) For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

(v) For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

xv 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. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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.

xvi Earnings per share

Basic earnings per share is computed using 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.

xvii 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.

xviii Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system.

xix Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

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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 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.

2B. New standards and interpretations not yet adopted

Ind AS 116 - Leases : On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116 - Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 - Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by :

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

a. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company is evaluating the effect of this new standard in the financial statements. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019.

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
3 Property, plant and equipment and capital work-in-progress		
Carrying amounts of:		
Freehold land	**0.36**	0.36
Buildings	**273.48**	136.66
Furniture and fixtures	**3.44**	2.41
Office equipments	**2.93**	3.43
Computers	**6.61**	2.75
Plant and machinery	**193.11**	42.99
Vehicles	**1.52**	0.47
	481.45	**189.07**
Capital work-in-progress	**0.32**	15.31
	481.77	**204.38**

All amounts are in ₹ million unless otherwise stated

Cost	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2017	384.34	636.89	16.06	9.19	8.27	1,049.44	2.98	2,107.17
Additions	-	10.62	-	0.84	1.26	17.87	1.56	32.15
Borrowing cost capitalised	-	-	-	-	-	1.29	-	1.29
Transfer on account of demerger (Refer note 37.3)	383.98	501.42	12.05	3.47	1.66	928.76	2.94	1,834.28
Deletions	-	-	-	-	0.34	21.45	0.64	22.43
Balance as on 31 March 2018	**0.36**	**146.09**	**4.01**	**6.56**	**7.53**	**118.39**	**0.96**	**283.90**
Additions	-	25.48	-	0.08	5.71	19.90	1.27	52.44
Transfer on account of business combination (Refer note 51)	-	119.00	1.37	0.80	0.42	170.41	0.07	292.07
Deletions	-	-	0.04	-	0.33	2.61	-	2.98
Balance as on 31 March 2019	**0.36**	**290.57**	**5.34**	**7.44**	**13.33**	**306.09**	**2.30**	**625.43**

Accumulated depreciation	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2017	-	51.98	3.67	3.32	3.82	303.21	1.01	367.01
Depreciation expense for the year (Refer note 34)	-	13.63	0.73	1.78	1.88	84.49	0.26	102.77
Transfer on account of demerger (Refer note 37.3)	-	56.18	2.80	1.97	0.62	307.59	0.50	369.66
Deletions	-	-	-	-	0.30	4.71	0.28	5.29
Balance as on 31 March 2018	**-**	**9.43**	**1.60**	**3.13**	**4.78**	**75.40**	**0.49**	**94.83**
Depreciation expense for the year (Refer note 34)	-	7.66	0.34	1.38	2.21	40.19	0.29	52.07
Deletions	-	-	0.04	-	0.27	2.61	-	2.92
Balance as on 31 March 2019	**-**	**17.09**	**1.90**	**4.51**	**6.72**	**112.98**	**0.78**	**143.98**

Carrying amount	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2018	0.36	136.66	2.41	3.43	2.75	42.99	0.47	189.07
Balance as on 31 March 2019	0.36	273.48	3.44	2.93	6.61	193.11	1.52	481.45

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
4 Investment property		
Carrying amounts of:		
Investment property	-	-
	-	-

Cost	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	-	63.93
Transfer on account of demerger (Refer note 37.3)	-	63.93
Balance at the end of year	-	-

Accumulated depreciation	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	-	2.08
Depreciation expense for the year (Refer note 34)	-	1.04
Transfer on account of demerger (Refer note 37.3)	-	3.12
Balance at the end of year	-	-

	As at 31 March 2019	As at 31 March 2018
5 Other intangible assets		
Carrying amounts of:		
Product / process development	4.89	12.61
Acquired software	37.91	35.15
	42.80	**47.76**
Intangible assets under development	-	15.90
	42.80	**63.66**

Cost	Product / process development	Acquired software	Total
Balance as on 01 April 2017	183.09	13.10	196.19
Additions	41.18	67.54	108.72
Transfer on account of demerger (Refer note 37.3)	180.87	23.33	204.20
Deletions	-	8.47	8.47
Balance as on 31 March 2018	**43.40**	**48.84**	**92.24**
Additions	-	9.47	9.47
Transfer on account of business combination (Refer note 51)	-	6.14	6.14
Deletions	-	-	-
Balance as on 31 March 2019	**43.40**	**64.45**	**107.85**

Accumulated amortisation	Product / process development	Acquired software	Total
Balance as on 01 April 2017	114.09	5.59	119.68
Amortisation expense for the year (Refer note 34)	29.76	11.47	41.23
Transfer on account of demerger (Refer note 37.3)	113.06	2.11	115.17
Deletions	-	1.26	1.26
Balance as on 31 March 2018	**30.79**	**13.69**	**44.48**
Amortisation expense for the year (Refer note 34)	7.72	12.85	20.57
Deletions	-	-	-
Balance as on 31 March 2019	**38.51**	**26.54**	**65.05**

Carrying amount	Product / process development	Acquired software	Total
Balance as on 31 March 2018	12.61	35.15	47.76
Balance as on 31 March 2019	4.89	37.91	42.80

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		Face Value	No. of shares	As at 31 March 2019	No. of shares	As at 31 March 2018
6	**Non-current investments**					
A	**Investments in Subsidiaries**					
	Unquoted equity instruments (fully paid up) carried at cost less provision for other than temporary diminution in value					
i)	Alivira Animal Health Limited	₹ 10.00	4,77,76,470	**5,943.58**	4,14,06,274	4,367.75
ii)	SeQuent Research Limited	₹ 10.00	44,10,000	**142.09**	44,10,000	142.09
iii)	SeQuent Antibiotics Private Limited (Refer note 1)	₹ 10.00	70,000	**0.70**	10,000	0.10
	Less: Provision for other than temporary diminution in value			**0.70**		-
				-		**0.10**
iv)	SeQuent Pharmaceuticals Private Limited (Refer note 1)	₹ 10.00	39,999	**0.40**	9,999	0.10
	Less: Provision for other than temporary diminution in value			**0.40**		-
				-		**0.10**
v)	Elysian Life Sciences Private Limited	₹ 10.00	10,000	**0.10**	10,000	0.10
	Less: Provision for other than temporary diminution in value			**0.10**		0.10
				-		-
	Total (A)			**6,085.67**		**4,510.04**
B	**Other Investments**					
a	**Quoted equity instruments carried at fair value through other comprehensive income**					
i)	Strides Pharma Sciences Limited (formerly known as Strides Shasun Limited)	₹ 10.00	33,12,500	**1,564.82**	33,12,500	2,216.56
ii)	Solara Active Pharma Sciences Limited (Refer note 2)	₹ 10.00	5,52,083	**231.02**	-	-
				1,795.84		**2,216.56**
b	**Unquoted equity instruments carried at cost**					
i)	Ambarnath Chemical Manufacturers Association	₹ 10.00	1,000	**0.01**	1,000	0.01
ii)	Tarapur Industrial Manufacturers Association	₹ 10.00	2,000	**0.04**	2,000	0.04
				0.05		**0.05**
c	**Investment in government securities carried at amortised cost**					
i)	National Saving Certificate		-	**0.02**	-	0.02
ii)	NSC VIII Issue		-	**0.06**	-	0.06
				0.08		**0.08**
	Total (B)			**1,795.97**		**2,216.69**
	Total (A+B)			**7,881.64**		**6,726.73**
	Aggregate carrying value of unquoted investments (gross)			**6,087.00**		4,510.27
	Aggregate market value of quoted investments			**1,795.84**		2,216.56
	Aggregate amount of impairment in value of investments			**1.20**		0.10

Note

1 SeQuent Antibiotics Private Limited and SeQuent Pharmaceuticals Private Limited have applied for strike off of their names from register of Registrar of Company - Bengaluru under fast track exit scheme of Ministry of Corporate Affairs.

2 Pursuant to a scheme sanctioned by the NCLT vide its order dated 09 March 2018, Strides Pharma Sciences Limited (a company in which the Company had invested in equity shares) demerged certain of its businesses to Solara Active Pharma Sciences Limited (Solara). In terms of the scheme, the Company has received 5,52,083 shares in Solara.

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
7 Non-current loans		
Unsecured, considered good		
Loan to related parties (Refer note 44.3)	602.54	1,141.79
Total	**602.54**	**1,141.79**

	As at 31 March 2019	As at 31 March 2018
8 Other non-current financial assets		
Security deposits	7.88	6.06
Margin money deposits	7.38	-
Total	**15.26**	**6.06**

	As at 31 March 2019	As at 31 March 2018
9 Deferred tax assets (net) (Refer note 39)		
Deferred tax liability		
- Depreciation	24.54	35.58
Total deferred tax liability (B)	**24.54**	**35.58**
Deferred tax assets		
- Disallowances u/s 43B of the Income Tax Act, 1961	5.52	2.30
- Unabsorbed depreciation and carried forward of losses	19.02	33.28
- MAT credit entitlement	67.03	53.74
Total deferred tax assets (A)	**91.57**	**89.32**
Total (A-B)	**67.03**	**53.74**

Note:
The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

	As at 31 March 2019	As at 31 March 2018
10 Income tax assets (net)		
Advance income tax (net of provisions ₹ 207.15) (As at 31 March 2018 ₹ 193.86)	11.75	13.46
Total	**11.75**	**13.46**

	As at 31 March 2019	As at 31 March 2018
11 Other non-current assets		
Capital advances	2.69	3.75
Security deposit with overnment authorities	0.64	0.64
Prepaid expenses	218.36	155.09
Total	**221.69**	**159.48**

Note:
Prepaid expenses include leashold land amounting to ₹ 216.05 for Mahad,Tarapur and Ambarnath plant (31 March 2018 - ₹ 154.40 for Tarapur and Ambarnath plant).

	As at 31 March 2019	As at 31 March 2018
12 Inventories		
(At lower of cost and net realisable value)		
Raw materials and packing materials	96.20	71.65
Work-in-progress and intermediates (Refer note (i) below)	110.01	60.85
Finished goods	46.00	5.25
Fuel	1.08	0.58
Total	**253.29**	**138.33**
Note:		
(i) Details of inventory of work-in-progress and intermediates:		
Bulk drugs	110.01	60.85
Total	**110.01**	**60.85**

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All amounts are in ₹ million unless otherwise stated

		Face value	As at 31 March 2019		As at 31 March 2018	
			No. of shares / units	As at 31 March 2019	No. of shares / units	As at 31 March 2018
13	**Current investments**					
A	**Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income**					
i)	Agrodutch Industries Limited	₹ 10.00	**36,250**	**- ***	36,250	- *
ii)	Transchem Limited	₹ 10.00	**26,077**	**0.62**	32,500	1.06
iii)	Techindia Nirman Limited	₹ 10.00	**2,280**	**0.01**	18,270	0.14
iv)	Nath Bio Genes (I) Limited	₹ 10.00	**-**	**-**	6,930	2.86
v)	Agritech (India) Limited	₹ 10.00	**6,300**	**0.32**	6,300	0.75
	Total (A)			**0.95**		**4.81**
B	**Other unquoted equity instruments (fully paid up) carried at amortised cost**					
i)	Aditya Investment & Communication Limited	₹ 10.00	**58,800**	**- ***	58,800	- *
	Total (B)			**-**		**-**
C	**Unquoted mutual funds carried at fair value through profit or loss**					
i)	UTI Short-Term Income Fund - Institutional Option - Growth		**-**	**-**	63,91,607	135.01
	Total (C)			**-**		**135.01**
	Total (A + B + C)			**0.95**		**139.82**
	Aggregate market value of quoted investments			**0.95**		4.81
	Aggregate carrying value of unquoted investments			**- ***		- *
	Aggregate net asset value of investment in mutual funds			**-**		135.01

* Not reported due to roundoff.

	As at 31 March 2019	As at 31 March 2018
14 Trade receivables		
Unsecured, considered good	**429.01**	784.66
Unsecured, considered doubtful	**19.72**	6.61
	448.73	**791.27**
Less: Allowance for doubtful trade receivables	**19.72**	6.61
Total	**429.01**	**784.66**

Note:

During the year, the Company discounted trade receivables with an aggregate carrying amount of ₹ 11.63 (As at 31 March 2018 ₹ NIL) to a bank for cash proceeds of same value. If the trade receivables are not paid at maturity, the bank has the right to request the Company to pay the unsettled balance. As the Company has not transferred the significant risks and rewards relating to the trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a financial liability under note 26 - Other current financial liabilities

	As at 31 March 2019	As at 31 March 2018
15 Cash and cash equivalents		
Balances with banks		
- In current accounts	**10.58**	9.92
Cash on hand	**0.08**	0.04
Total	**10.66**	**9.96**
Cash and cash equivalents as defined in Ind AS - 7 Statements of Cash Flows	**10.66**	**9.96**

	As at 31 March 2019	As at 31 March 2018
16 Bank balances other than (note 15) above		
In earmarked accounts		
- Unpaid dividend accounts	**0.06**	0.10
- Margin money deposits (Refer note (i) below)	**8.05**	20.39
Total	**8.11**	**20.49**

Note:

(i) Balances in margin money deposits are held as security against borrowings, guarantees and other commitments.

	As at 31 March 2019	As at 31 March 2018
17 Current loans		
Unsecured, considered good		
Loan to related parties (Refer note 44.3)	**-**	112.23
Loan to employees	**0.07**	-
	0.07	**112.23**
Unsecured, considered doubtful		
Loan to related parties (Refer note 44.3)	**112.09**	111.49
Loan to others	**9.61**	9.61
	121.70	**121.10**
Less: Allowance for doubtful advances	**121.70**	121.10
	-	**-**
Total	**0.07**	**112.23**

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
18 Other current financial assets		
Claims receivable	5.10	4.21
Interest accrued on fixed deposits	0.26	1.27
Total	**5.36**	**5.48**

	As at 31 March 2019	As at 31 March 2018
19 Other current assets		
Advance to suppliers	13.35	21.47
Balances with government authorities	133.40	167.15
Prepaid expenses	10.25	5.85
Total	**157.00**	**194.47**

Note:
Prepaid expenses include leashold land amounting to ₹ 3.88 for Mahad,Tarapur and Ambarnath plant (31 March 2018 ₹ 3.09 for Tarapur and Ambernath plant).

	No. of shares	As at 31 March 2019	No. of shares	As at 31 March 2018
20 Share capital				
(a) Authorised				
Equity shares of ₹ 2 each	25,00,00,000	**500.00**	25,00,00,000	500.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹ 2 each	24,68,70,995	**493.74**	24,37,36,195	487.47
Total		**493.74**		**487.47**

Notes:

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

	No. of shares	Share capital
Fully paid equity shares		
Balance as on 01 April 2017	24,37,36,195	487.47
Shares issued during the year	-	-
Balance as on 31 March 2018	**24,37,36,195**	**487.47**
Shares issued during the year	31,34,800	6.27
Balance as on 31 March 2019	**24,68,70,995**	**493.74**

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company.

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 sharehoher holding more then 5% shares

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	**2,78,99,930**	**11.30%**	2,78,99,930	11.45%
Chayadeep Ventures LLP	**2,51,25,000**	**10.18%**	2,51,25,000	10.31%
Agnus Capital LLP	**2,11,57,560**	**8.57%**	2,11,57,560	8.68%
Arun Kumar Pillai	**2,34,99,965**	**9.52%**	2,34,99,965	9.64%
Pronomz Ventures LLP	**2,70,00,000**	**10.94%**	2,70,00,000	11.08%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	**1,41,38,395**	**5.73%**	1,41,38,395	5.80%
TIMF Holdings	**1,53,30,795**	**6.21%**	1,53,30,795	6.29%

(iv) 40,81,620 shares of ₹ 2 each (As at 31 March 2018 - 14,45,200 shares) are reserved towards outstanding employee stock options granted / available for grant.

(v) Aggregate number of shares allotted as fully paid pursuant to contract without payment of cash for a period of 5 years immediately preceding the balance sheet date:

	As at 31 March 2019	As at 31 March 2018
Equity shares	**1,79,27,065**	1,79,27,065

(vi) The Board of Directors in their meeting held on 14 May 2019 recommended dividend of 10%, i.e. ₹ 0.20 per equity share of ₹ 2/- each.

	As at 31 March 2019	As at 31 March 2018
21 Other equity		
Capital reserve	**10.65**	10.65
Securities premium account	**8,490.36**	8,345.14
Share options outstanding account	**188.85**	175.76
General reserve	**152.05**	150.76
Retained earnings	**(626.50)**	(705.54)
Reserve for equity instruments through other comprehensive income	**630.10**	1,054.59
Treasury reserve	**(161.34)**	(32.66)
Total	**8,684.17**	**8,998.70**

	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve	**10.65**	10.65
(b) Securities premium account		
Balance at the beginning of the year	**8,345.14**	10,130.65
Add: Premium on shares issued to ESOP trust	**133.67**	-
Add: Premium on exercise of options - proceeds received	**11.55**	9.12
Less: Adjustment on account of demerger (Refer note 37.3)	**-**	(1,794.63)
Balance at the end of the year	**8,490.36**	**8,345.14**
(c) Share options outstanding account		

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	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	175.76	155.50
Add: Employee stock option expenses	25.93	32.66
Less: Transferred to securities premium account on exercise	(11.55)	(9.12)
Less: Transferred to general reserve on vested ESOP lapsed during the year	(1.29)	(3.28)
Balance at the end of the year	**188.85**	**175.76**
(d) General reserve		
Balance at the beginning of the year	150.76	147.48
Add: Vested ESOP lapsed during the year	1.29	3.28
Balance at the end of the year	**152.05**	**150.76**
(e) Retained earnings		
Balance at the beginning of the year	(705.54)	(792.13)
Add: Profit / (loss) for the year	75.86	4,064.07
Add/ (Less): Other comprehensive income arising from remeasurement of defined benefit obligations, net of income tax	0.44	(3.73)
Add: Transfer from reserve for equity instruments through other comprehensive income	2.74	-
Less: Dividends distributed to equity shareholders (including tax on dividend)	-	(58.38)
Less: Adjustment on account of demerger (Refer note 37.2)	-	(3,915.37)
Balance at the end of the year	**(626.50)**	**(705.54)**
Note: During the previous year, the Board of Directors had declared interim dividend of 10%, i.e. ₹ 0.20 per equity share of ₹ 2/- each.		
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	1,054.59	2,474.13
Less: Transfer to Retained Earning	(2.74)	-
Add / (Less): Net fair value gain / (loss) on investment in equity instruments at FVTOCI	(421.75)	(1,419.54)
Balance at the end of the year	**630.10**	**1,054.59**
(g) Treasury reserve		
Balance at the beginning of the year	(32.66)	(40.45)
Add: Employee stock options issued during the year	11.26	7.79
Less: Shares issued during the year to ESOP trust	(139.94)	-
Balance at the end of the year	**(161.34)**	**(32.66)**

	As at 31 March 2019	As at 31 March 2018
22 Non-current borrowings		
Secured term loan - at amortised cost		
From bank	206.08	-
Total	**206.08**	**-**

Note:

(i) Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:

	Terms of repayment	As at 31 March 2019	As at 31 March 2018
Term loan from bank:			
RBL Bank Ltd: Exclusive charge on the entire movable and immoveable fixed assets , both present and future, including exclusive charge on the immovable assets located at Mahad, Exclusive charge on the current assets of the Company, both present and future.	Repayable in 18 quarterly equal instalments, commencing from July 2019. Repayable fully on December 2023	206.08	-
Total		**206.08**	**-**

(ii) The Company has not defaulted in repayment of loans and interest.

(iii) For the current maturities of long-term borrowings, refer note 26 in other current financial liabilities.

	As at 31 March 2019	As at 31 March 2018
23 Non-current provisions		
Provision for employee benefits		
Gratuity (Refer note 40)	8.07	0.94
Compensated absences	7.77	3.55
Others		
Provision for tax (net of advance tax- ₹ 9.64) (as at 31 March 2018 ₹ 28.32)	9.54	17.18
Total	**25.38**	**21.67**

	As at 31 March 2019	As at 31 March 2018
24 Current borrowings		
Loans repayable on demand		
Secured loan - at amortised cost		
From banks	181.04	-
Total	**181.04**	**-**

Notes:

(i) Working capital loan from banks are secured by a exclusive charge on current assets of the Company and Exclusive charge on the entire movable and immoveable fixed assets of the Company, both present and future, including exclusive charge on the immovable assets located at Mahad, Tarapur and Ambernath plants.

(ii) The Company has not defaulted in repayment of loans and interest.

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	As at 31 March 2019	As at 31 March 2018
25 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	6.15	7.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	519.90	238.32
Total	**526.05**	**245.64**

Note:

(i) Trade payables (other then due to micro, small and medium enterprises) are non-interest bearing and are normally settled in 90 - 120 days.

(ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 49.

	As at 31 March 2019	As at 31 March 2018
26 Other current financial liabilities		
Current maturities of long-term debt *	41.70	-
Unclaimed dividends	0.06	0.10
Payables on purchase of fixed assets	11.22	12.72
Other liabilities	11.63	-
Total	**64.61**	**12.82**

* The details of interest rates, repayment terms, securities, guarantees and others terms are disclosed under note 22. Details of current maturities of long-term debt are as below:

	As at 31 March 2019	As at 31 March 2018
Secured term loan from banks		
RBL Bank Limited	41.70	-
Total	**41.70**	**-**

	As at 31 March 2019	As at 31 March 2018
27 Other current liabilities		
Statutory remittances	5.57	4.23
Advance from customers	1.59	2.09
Total	**7.16**	**6.32**

	As at 31 March 2019	As at 31 March 2018
28 Current provisions		
Provision for employee benefits		
Gratuity (Refer note 40)	-	1.81
Compensated absences	0.70	0.31
Total	**0.70**	**2.12**

	Year ended 31 March 2019	Year ended 31 March 2018
29 Revenue from operations		
Sale of products (including excise duty*) (Refer note below)	1,613.72	1,022.43
Other operating revenues		
Sale of scrap	2.24	0.93
Reimbursement of expenses	14.17	15.35
Duty drawback and other export incentives	30.50	26.96
Other operating revenues	16.14	6.69
Total	**1,676.77**	**1,072.36**

(*) Post implementation of Goods and Services Tax (GST) with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier period included excise duty which is now subsumed in GST. Revenue from operation for the year ended 31 March 2018 included excise duty upto 30 June 2017.

Note:

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products comprises:		
(a) Manufactured goods		
Bulk drugs	1,381.38	463.44
Total- Sale of manufactured goods	**1,381.38**	**463.44**
(b) Traded goods		
Bulk drugs	183.60	529.08
Chemicals	48.74	29.91
Total- Sale of traded goods	**232.34**	**558.99**
Total- Sale of products	**1,613.72**	**1,022.43**

Disaggregate revenue information

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 43 ' Segment reporting'.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognised at a point in time when the Company transfers control over the product to the customer

Trade receivables are presented net of impairment in the Balance Sheet.

	Year ended 31 March 2019	Year ended 31 March 2018
30 Other income		
Interest income (Refer note (i) below)	114.66	140.18
Net gain on sale of investment in a subsidiary	-	38.29
Profit on sale of fixed assets (net)	0.02	1.43
Other non-operating income (Refer note (ii) below)	12.20	29.81
Dividend income *	7.87	18.98
Fair value gain on financial instrument at fair value through profit or loss **	0.50	14.00
Total	**135.25**	**242.69**

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		Year ended 31 March 2019	Year ended 31 March 2018
(i)	**Interest income comprises:**		
	Interest on:		
	Bank deposits	**1.06**	1.38
	Loans and advances to related parties (Refer note 44)	**111.30**	134.12
	Others	**2.30**	4.68
Total		**114.66**	**140.18**
(ii)	**Other non-operating income comprises:**		
	Insurance claim received	**0.26**	-
	Liabilities / provisions no longer required written back	**5.01**	17.64
	Rental income (Refer note 44)	**0.40**	0.40
	Corporate guarantee commission (Refer note 44)	**4.50**	6.46
	Miscellaneous income	**2.03**	5.31
Total		**12.20**	**29.81**

* Includes dividends from equity investments designated as at fair value through other comprehensive income (FVTOCI) ₹ 6.62 (31 March 2018 - ₹ 14.91).

** Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the end of each reporting period.

	Year ended 31 March 2019	Year ended 31 March 2018
31.a Cost of materials consumed		
Opening stock (net of inventories relating to discontinued operations)	71.65	41.30
Transfer on account of business combination (Refer note 51)	52.89	-
Add: Purchases	**745.05**	336.92
Less: Closing stock (net of inventories relating to discontinued operations)	**96.20**	71.65
Total	**773.39**	**306.57**
Materials consumed comprises:		
Solvents	203.76	69.55
Chemicals	569.63	237.02
Total	**773.39**	**306.57**

	Year ended 31 March 2019	Year ended 31 March 2018
31.b Purchases of stock-in-trade		
Purchases of stock-in-trade	202.32	491.43
Total	**202.32**	**491.43**
Purchases of stock-in-trade comprises:		
Bulk drugs	154.24	461.78
Chemicals	48.08	29.65
Total	**202.32**	**491.43**

	Year ended 31 March 2019	Year ended 31 March 2018
31.c Changes in inventories of finished goods and work-in-progress & intermediates		
Opening stock		
Work-in-progress and intermediates	60.85	59.33
Finished goods	5.25	2.55
	66.10	61.88
Transfer on account of business combination (Refer note 51)		
Work-in-progress and intermediates	46.80	-
Finished goods	13.62	-
	60.42	-
Closing stock		
Work-in-progress and intermediates	110.01	60.85
Finished goods	46.00	5.25
	156.01	**66.10**
Net (increase) / decrease	**(29.49)**	**(4.22)**

Note: The inventory details are relating to only continuing operations.

	Year ended 31 March 2019	Year ended 31 March 2018
32 Employee benefit expenses		
Salaries and wages	89.43	94.60
Contributions to provident fund and other funds	6.65	5.49
Share-based payments to employees	7.09	13.80
Staff welfare expenses	6.52	4.61
Total	**109.69**	**118.50**

	Year ended 31 March 2019	Year ended 31 March 2018
33 Finance costs		
Interest expense on borrowings	28.12	2.49
Other borrowing costs	4.08	1.43
Total	**32.20**	**3.92**

	Year ended 31 March 2019	Year ended 31 March 2018
34 Depreciation and amortisation expenses		
For continuing operations		
Depreciation on property, plant and equipment	52.07	14.51
Amortisation on intangible assets	20.57	22.16
	72.64	**36.67**
For discontinued operations (Refer note 37.2)		
Depreciation on property, plant and equipment	-	88.26
Depreciation on investment property	-	1.04

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	Year ended 31 March 2019	Year ended 31 March 2018
Amortisation on intangible assets	-	19.07
Less : Depreciation capitalised for intangible assets under development	-	(1.30)
	-	**107.07**
Total	**72.64**	**143.74**

	Year ended 31 March 2019	Year ended 31 March 2018
35 Other expenses		
Power, water and fuel	**85.20**	23.21
Consumables	**22.39**	6.25
Conversion and processing charges	**318.04**	117.56
Contract labour charges	**27.12**	8.62
Freight and forwarding	**8.40**	6.81
Rent including lease rentals (Refer note 45)	**3.73**	5.91
Rates and taxes	**6.84**	32.93
Communication expenses	**4.12**	8.31
Repairs and maintenance		
Building	**4.97**	3.22
Machinery	**11.43**	8.44
Others	**15.33**	12.09
Insurance	**9.32**	5.04
Travelling and conveyance	**3.62**	12.57
Advertisement and selling expenses	**0.61**	0.12
Commission on sales	**1.36**	1.35
Legal and professional fees	**28.34**	39.98
Payments to auditors (Refer note (i) below)	**5.23**	5.77
Analytical charges	**12.02**	2.52
CSR Expenses (Refer note 52)	**1.01**	-
Bad trade receivables written off	**0.01**	10.38
Bad loans and advances written off	**1.51**	-
Provision for doubtful trade receivables	**0.39**	3.77
Provision for other than temporary diminution in value	**1.10**	-
Net loss/ (gain) on foreign currency transactions and translation	**(4.31)**	(0.28)
Increase/(decrease) of excise duty on inventory	**-**	(2.60)
Other expenses	**21.46**	19.68
Total	**589.24**	**331.65**

Note:

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

	Year ended 31 March 2019	Year ended 31 March 2018
As auditors - statutory audit (including fees for undertaking limited reviews)	**4.13**	5.00
Fee for certification and other services	**0.55**	0.55
Reimbursement of expenses	**0.55**	0.22
	5.23	**5.77**

	Year ended 31 March 2019	Year ended 31 March 2018
36 Exceptional items		
Write-off of ineligible Goods and Services Tax credits	-	11.61
Total	**-**	**11.61**

37 Discontinued operations

37.1 Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai, vide Order dated 09 March 2018 ('Order'), with effect from the Appointment Date i.e. 01 October 2017, the Human API business of the Company was transferred to Solara Active Pharma Sciences Limited ('Solara').

During the year ended 31 March 2018, in line with the accounting prescribed in the Scheme, the net assets of the Human API business transferred amounting to ₹ 1,794.63 have been debited to the securities premium account. The excess of fair value of the Human API business over the net assets transferred amounting to ₹ 3,915.37 has been debited to retained earnings with a corresponding credit to the statement of profit and loss as 'Gain on demerger of Human API business'. The Human API business for previous year has been presented as discontinued operations in these financial statements.

Pursuant to the above, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company.

37.2 Analysis of profit for the year from discontinued operations

The financial performance and cash flow information of the Human API business included in the statement of profit and loss during the previous year ended 31 March 2018 is as below. These relate to the period 01 April 2017 to 30 September 2017.

		01 April 2017 to 30 September 2017
I	Revenue from operations	1,675.84
II	Other income	3.72
III	**Total income (I+II)**	**1,679.56**
IV	**Expenses**	
	Cost of materials consumed	755.08
	Purchases of stock-in-trade	68.52
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1.06)
	Excise duty on sale of goods	23.88
	Employee benefit expenses	132.66
	Finance costs	41.51
	Depreciation and amortisation expenses (Refer note 34)	107.07
	Other expenses	381.16
	Total expenses (IV)	**1,508.82**
	Profit / (loss) from discontinued operations before tax (III-IV)	**170.74**
	Gain on demerger of Human API business	3,915.37
	Profit from discontinued operations before tax	4,086.11
	Tax expense attributable to discontinued operations	
	(a) Current tax	36.27
	(b) MAT credit entitlement	(36.27)
	Profit from discontinued operations after tax	**4,086.11**

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	01 April 2017 to 30 September 2017
Cash flows of discontinued operations	
Net cash inflows / (outflows) from operating activities	105.29
Net cash inflows / (outflows) from investing activities	(68.41)
Net cash inflows / (outflows) from financing activities	(36.88)
Net cash outflows	-

37.3 The carrying amount of assets and liabilities as at appointed date (01 October 2017) are as follows:

		As at 01 October 2017
ASSETS		
Property, plant and equipment		
Gross block	1,834.28	
Less: Accumulated depreciation	(369.66)	
Net block		1,464.62
Capital work-in-progress		2.23
Investment property		
Gross block	63.93	
Less: Accumulated depreciation	(3.12)	
Net block		60.81
Intangible assets		
Gross block	204.20	
Less: Accumulated amortisation	(115.17)	
Net block		89.03
Intangible assets under development		240.05
Investments in subsidiaries		157.99
Other non-current financial assets		14.44
Other non-current assets		55.45
Inventories		650.70
Trade receivables		694.54
Other current financial assets		8.59
Other current assets		175.19
Total assets		**3,613.64**
Liabilities		
Non-current borrowings		80.64
Non-current provisions		65.45
Current borrowings		670.76
Trade payables		876.41
Other current financial liabilities		103.01
Other current liabilities		21.27
Current provisions		1.47
Total liabilities		**1,819.01**
Net assets directly associated with discontinued operations		**1,794.63**

	Year ended 31 March 2019	Year ended 31 March 2018
38 Earnings per share		
For continuing operations		
Basic earnings per share (in ₹)	**0.31**	(0.09)
Diluted earnings per share (in ₹)	**0.31**	(0.09)
For discontinued operations		
Basic earnings per share (in ₹)	-	16.86
Diluted earnings per share (in ₹)	-	16.75
For continuing and discontinued operations		
Basic earnings per share (in ₹)	**0.31**	16.77
Diluted earnings per share (in ₹)	**0.31**	16.66

	Year ended 31 March 2019	Year ended 31 March 2018
Profit attributable to equity shareholders		
For continuing operations		
Profit for the year attributable to equity holders of the Company	**75.86**	(22.04)
Profit attributable to equity shareholders for basic and diluted earnings	**75.86**	**(22.04)**
For discontinued operations		
Profit for the year attributable to equity holders of the Company	-	4,086.11
Profit attributable to equity shareholders for basic and diluted earnings	**-**	**4,086.11**

	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of equity shares		
Weighted average no.of equity shares at beginning of the year	**24,37,36,195**	24,37,36,195
Weighted average no. of shares issued during the year	**51,531**	-
Weighted average effect of treasury shares	**(9,98,351)**	(14,45,200)
Weighted average number of equity shares at end of the year for basic EPS	**24,27,89,375**	**24,22,90,995**
Share options	**11,96,735**	16,50,343
Weighted average number of equity shares at end of the year for diluted EPS	**24,39,86,110**	**24,39,41,338**

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	Year ended 31 March 2019	Year ended 31 March 2018
39 Reconciliations of tax expenses and details of deferred tax balances		
i) Income tax expenses relating to continuing operations		
Current tax		
In respect of current year	13.29	0.39
MAT credit entitlement recognised	(13.29)	(0.39)
MAT credit entitlement written off	-	28.67
Prior period reversal	(13.83)	-
Total	**(13.83)**	**28.67**
ii) Income tax expenses relating to discontinued operations		
In respect of current year	-	36.27
MAT credit entitlement recognised	-	(36.27)
Total	-	-

	Year ended 31 March 2019	Year ended 31 March 2018
iii) Income tax expenses relating to continuing and discontinued operations		
In respect of current year	13.29	36.66
MAT credit entitlement recognised	(13.29)	(36.66)
MAT credit entitlement written off	-	28.67
Prior period tax reversal	(13.83)	-
Total	**(13.83)**	**28.67**

Tax expenses for the previous year represents unutilised MAT credit recognised in earlier years now written off. Other than above the net tax expenses for the Company is Nil considering the unabsorbed tax losses and depreciation. During the year, the Company recognised MAT credit entitlement which is expected to be available for set off in the future years.

	31 March 2019					
	Net balance 01 April 2018	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
iv) Movement in deferred tax balances						
Deferred tax asset						
Property, plant and equipment	(35.58)	11.04	-	(24.54)	-	-
Employee benefits	2.30	3.22	-	5.52	-	-
Tax assets/(liabilities)	**(33.28)**	**14.26**	**-**	**(19.02)**	**-**	**-**
Set off deferred tax assets recognised on unabsorbed depreciation and carried forward of losses	33.28	(14.26)	-	19.02	-	-
Net tax assets/(liabilities)	**-**	**-**	**-**	**-**	**-**	**-**
MAT credit entitlement	53.74	13.29	-	67.03	67.03	-
Total	**53.74**	**13.29**	**-**	**67.03**	**67.03**	**-**

	31 March 2018					
	Net balance 01 April 2017	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(97.90)	62.32	-	(35.58)	-	-
Employee benefits	32.62	(30.32)	-	2.30	-	-
Tax assets/(liabilities)	**(65.28)**	**32.00**	**-**	**(33.28)**	**-**	**-**
Set off deferred tax assets recognised on unabsorbed depreciation and carried forward of losses	65.28	(32.00)	-	33.28	-	-
Net tax assets/(liabilities)	**-**	**-**	**-**	**-**	**-**	**-**
MAT credit entitlement	45.75	7.99	-	53.74	53.74	-
Total	**45.75**	**7.99**	**-**	**53.74**	**53.74**	**-**

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	As at 31 March 2019	As at 31 March 2018
(v) Unrecognised timing differences and tax losses and depreciation		
-Difference between book value and tax base of property, plant and equipment	**(73.52)**	(101.84)
-Disallowance relating to employee benefits	**16.54**	6.61
-Unabsorbed depreciation and tax losses	**336.86**	106.14
Net unrecognised timing differences	**279.88**	**10.91**
Tax impact of unrecognised tax losses and depreciation	**93.42**	**3.78**

(vi) No deferred tax adjustments were required in respect of amounts recognised in other comprehensive income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation).

(vii) No deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in subsidiaries.

40 Employee benefit plans

(i) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme 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 ₹ 4.71 (31 March 2018 - ₹ 5.45) for Provident Fund contributions and ₹ 1.00 (31 March 2018 - ₹ 0.33) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. As at 31 March 2019, contribution of ₹ 1.60 (31 March 2018 - ₹ 0.46) is outstanding which is paid subsequent to the end of respective reporting periods.

(ii) Defined benefit plans:

The Company has a defined Gratuity benefit plan. The following table summarises 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 2019	31 March 2018
Expense recognised in the statement of profit and loss:		
Current service cost	**1.55**	5.38
Net interest cost	**0.44**	2.64
Expected return on plan assets	**(0.11)**	(0.20)
Component of defined benefit costs recognised in the statement of profit and loss	**1.88**	**7.82**
Remeasurement on the defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expenses)	**(0.10)**	0.13
Actuarial (gains) / losses arising from change in financial assumptions	**(0.11)**	(1.70)
Actuarial (gains) / losses arising from experience adjustment	**(0.23)**	5.30
Components of defined benefit costs recognised in other comprehensive income	**(0.44)**	**3.73**
Total	**1.44**	**11.55**

The current service cost is included in 'Employee benefit expenses' and net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet:

	31 March 2019	31 March 2018
Present value of defined benefit obligation (DBO)	**9.80**	4.27
Fair value of plan assets	**1.73**	1.52
Funded status [surplus / (deficit)]	**(8.07)**	(2.75)
Net defined benefit obligation	**(8.07)**	**(2.75)**

	31 March 2019	31 March 2018
A. Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	**4.27**	61.61
Current service cost	**1.55**	5.38
Interest cost	**0.44**	2.64
Liability transferred out / divestment	-	(62.86)
Liability transferred in / acquisitions	**4.78**	-
Benefits paid	**(0.90)**	(6.10)
Actuarial (gains) / losses arising from changes in financial assumptions	**(0.11)**	(1.70)
Actuarial (gains) / losses arising from changes in experience adjustment	**(0.23)**	5.30
Closing defined benefit obligation	**9.80**	**4.27**

	31 March 2019	31 March 2018
B. Movements in the fair value of plan assets are as follows:		
Opening fair value of plan assets	**1.52**	2.75
Expected return on plan assets	**0.11**	0.20
Actual contributions from the Company	**0.65**	6.45
Liability transferred out / divestment	-	(1.65)
Benefits paid	**(0.65)**	(6.10)
Remeasurement loss / (gain):		
Actuarial gain / (loss)	**0.10**	(0.13)
Closing fair value of plan assets	**1.73**	**1.52**

Actual return on plan assets is ₹ 0.10 [(31 March 2018 ₹ (0.13)].

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.

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	31 March 2019	31 March 2018
Financial assumption:		
Discount rate	**7.55%**	7.56%
Salary escalation rate	**8.00%**	8.00%
Demographic assumption:		
Withdrawal rate	**8.00%**	8.00%
Mortality rate	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate

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

Sensitivity analysis for significant actuarial assumptions for the determination of the defined benefit obligation is as follows:

	Impact on the defined benefit obligation	
	100 bps increase	**100 bps decrease**
31 March 2019		
Discounting rate	(0.62)	0.96
Salary escalation rate	0.95	(0.62)
Employee turnover	-	-
	100 bps increase	**100 bps decrease**
31 March 2018		
Discounting rate	(0.28)	0.32
Salary escalation rate	0.31	(0.28)
Employee turnover	(0.04)	0.04

	31 March 2019	31 March 2018
41 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the Company not acknowledged as debts *		
- Income tax	**2.60**	0.27
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	**1.92**	0.63

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

	31 March 2019	31 March 2018
42 Due to micro, small and medium enterprises		
The amounts remaining unpaid to micro and small suppliers as at the end of the year	**0.04**	7.32
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
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	-	-

Note:

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 which have been relied upon by the auditors.

43 Segment Reporting

I. Primary segment (Business segment)

The Company is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Company, the Company has only one business segment viz; pharmaceuticals as primary reportable segment.

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II. Secondary Segment (Geographical segment)

The Company operates in three principal geographic locations.

(i) Europe

(ii) Asia

(iii) Rest of the world

	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations		
Continuing operations		
Europe	63.08	1.35
Asia	1,410.23	557.17
Rest of the world	203.46	513.84
Discontinued operations		
Europe	-	91.36
Asia	-	906.11
Rest of the world	-	678.37
Total	**1,676.77**	**2,748.20**
II. Total assets		
Europe	51.20	-
Asia	1,562.91	1,490.57
Rest of the world	10.84	96.40
Total segment assets	**1,624.95**	**1,586.97**
Unallocable	8,563.98	8,187.77
Total assets	**10,188.93**	**9,774.74**
III. Cost incurred during the year to acquire segment assets		
Continuing operations		
Asia	31.00	60.45
Discontinued operations		
Asia	-	81.71
Total	**31.00**	**142.16**

44 Related party transactions

44.1 List of related parties

(i)	**Subsidiaries**
	Wholly-owned subsidiaries:
	Alivira Animal Health Limited, India
	SeQuent Research Limited
	Elysian Life Sciences Private Limited
	SeQuent Antibiotics Private Limited (Refer note 3)
	SeQuent Pharmaceuticals Private Limited (Refer note 3)
	Other subsidiaries:
	Naari Pharma Private Limited (Upto 26 July 2017)
	SeQuent Penems Private Limited (Upto 30 September 2017) (Refer note 2)
	Step down subsidiaries:
	Alivira Animal Health Limited, Ireland
	Alivira Animal Health Australia Pty Limited
	Provet Veteriner Ürünleri San. ve Tic. A.Ş.
	Topkim İlaç Premiks San. ve Tic. A.Ş
	Fendigo SA
	Fendigo BV
	N-Vet AB
	Alivira Saude Animal Brasil Participacoes LTDA
	Interchange Veterinária Indústria E Comércio S.A. Brasil
	Vila Viña Participacions S.L.
	Laboratorios Karizoo, S.A.
	Comercial Vila Veterinaria De Lleida S.L.
	Phytotherapic Solutions S.L
	Alivira UA Limited
	Alivira France
	Bremer Pharma GmbH. (Refer note 4)
	Evance Saude Animal Ltda (Refer note 5)
	Alivira Italia S.R.L. (Refer note 6)
(ii)	**Key management personnel**
	Mr. Manish Gupta, Chief Executive Officer & Managing Director
	Mr. Sharat Narasapur, Joint Managing Director
	Mr. Tushar Mistry, Chief Financial Officer
	Mr. Krupesh Mehta, Company Secretary
	Mr. K E C Rajakumar, Non-Executive Director
	Dr. S Devendra, Non-Executive Director
	Dr. Gopakumar G. Nair, Chairman & Independent Director
	Dr Kausalya Santhanam, Independent Director
	Mr. Narendra Mairpady, Independent Director
(iii)	**Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company**
	Strides Pharma Sciences Limited (formerly known as Strides Shasun Limited)
	Atma Projects
	Agnus Holdings Private Limited
	Chayadeep Properties Private Limited
	Chayadeep Ventures LLP
	Agnus Capital LLP
	Pronomz Ventures LLP
	Naari Pharma Private Limited (From 27 July 2017)
	Solara Active Pharma Sciences Limited (From 01 October 2017)
	SeQuent Penems Private Limited (From 01 October 2017) (Refer note 2)

Notes:

1 Related parties are as identified by the Company and relied upon by the Auditors.

2 Pursuant to the scheme of demerger, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company w.e.f. 01 October 2017 (Refer note 37).

3 SeQuent Antibiotics Private Limited and SeQuent Pharmaceuticals Private Limited have applied for strike off of their names from register of Registrar of Company - Bengaluru under fast track exit scheme of Ministry of Corporate Affairs.

4 During the year, the Company, through its step down subsidiary Alivira Animal Health Limited, Ireland, has acquired 100% stake in Bremer Pharma GmbH.

5 During the year, the Company's step down subsidiary, Alivira Saude Brasil Participacoes Ltda, Brazil incorporated Evance Saude Animal Ltda. with 70% stake in Brazil.

6 During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland incorporated Alivira Italia S.R.L. with 100% stake.

The above mentioned provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

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44.2 Transactions for the year

	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Sale of materials/services								
Strides Pharma Sciences Limited							-	160.95
Alivira Animal Health Limited	848.83	701.68						
Solara Active Pharma Sciences Limited							16.76	-
Sale of machinery/assets								
Alivira Animal Health Limited	9.67	20.13						
SeQuent Research Limited	0.04	13.80						
Solara Active Pharma Sciences Limited							1.45	-
Interest and other income								
Alivira Animal Health Limited	101.88	100.09						
Naari Pharma Private Limited			-	11.73			1.07	20.57
SeQuent Research Limited	8.35	1.73						
Purchase of material								
Alivira Animal Health Limited	240.76	582.73						
Solara Active Pharma Sciences Limited							0.88	-
Purchase of import license								
Alivira Animal Health Limited	3.60	-						
Purchase of machinery/assets								
Alivira Animal Health Limited	0.80	1.24						
SeQuent Research Limited	0.59	-						
Managerial remuneration (excluding costs relating to post employment benefits)								
Mr. Manish Gupta								
Short-term benefits					11.77	10.89		
Share-based payments					18.70	-		
Total					30.47	10.89		
Mr. Tushar Mistry								
Short-term benefits					6.87	6.27		
Mr. Krupesh Mehta								
Short-term benefits					1.60	1.29		
Directors Sitting Fees					1.34	1.14		
Reimbursement of expenses from								
SeQuent Research Limited	14.17	15.35						
Naari Pharma Private Limited			-	1.11			0.28	2.15
Solara Active Pharma Sciences Limited							3.06	-
Reimbursement of expenses to								
Strides Pharma Sciences Limited							1.05	6.30
SeQuent Penems Private Limited			-	0.82				
Analytical charges								
SeQuent Research Limited	8.47	23.00						
Security deposit refund by								
Chayadeep Properties Private Limited							-	5.12
Provision written back								

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	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
SeQuent Penems Private Limited			-	6.93				
Investment during the year								
Alivira Animal Health Limited	1,576.30	22.63						
Naari Pharma Private Limited			-	0.48				
SeQuent Antibiotics Private Limited	0.60	-						
SeQuent Pharmaceuticals Private Limited	0.30	-						
Details of balance provided / written off during the year								
(i) Loans								
Elysian Life Sciences (P) Limited	0.53	-						
(ii) Investments								
SeQuent Antibiotics Private Limited	0.70	-						
SeQuent Pharmaceuticals Private Limited	0.40	-						
Rental income								
Alivira Animal Health Limited	0.40	0.40						
SeQuent Research Limited	-	2.81						
Loans given by Company								
SeQuent Antibiotics Private Limited	-	0.02						
SeQuent Pharmaceuticals Private Limited	-	0.04						
SeQuent Research Limited	-	69.50						
Alivira Animal Health Limited	1,028.00	820.26						
Elysian Life Sciences Private Limited	0.04	-						
Loans repaid to the Company								
SeQuent Research Limited	-	13.38						
SeQuent Antibiotics Private Limited	0.51	-						
SeQuent Pharmaceuticals Private Limited	0.06	-						
Naari Pharma Private Limited							111.74	168.86
Alivira Animal Health Limited (Refer below note 1)	1,666.46	372.51						
Commission on Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited	4.50	4.38						
Naari Pharma Private Limited			-	0.48			-	1.60
ESOP given to employees of Subsidiary company								
Alivira Animal Health Limited	23.84	18.25						
Acquisition of Mahad EU-GMP API facility								
Solara Active Pharma Sciences Limited							464.00	-
Fees for managing the Mahad facility								
Solara Active Pharma Sciences Limited							10.00	-
Transactions carried out by the Company on behalf of Solara Active Pharma Sciences Limited								
Sales							259.00	-
Purchase							259.00	-
Collection from end customers							168.00	-

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	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Commission Income on sales made on behalf of Solara Active Pharma Sciences Limited								
Solara Active Pharma Sciences Limited							1.30	-

44.3 Balance as at Balance Sheet date

	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Trade receivables /other current assets								
SeQuent Research Limited	**26.04**	31.47						
Alivira Animal Health Limited	**126.15**	623.27						
Naari Pharma Private Limited							**8.93**	8.84
Solara Active Pharma Sciences Limited							**2.27**	-
Loans receivable								
SeQuent Antibiotics Private Limited	-	0.51						
SeQuent Pharmaceuticals Private Limited	-	0.04						
Elysian Life Sciences Private Limited	**112.08**	112.05						
Alivira Animal Health Limited	**523.98**	1,070.73						
SeQuent Research Limited	**78.57**	71.06						
Naari Pharma Private Limited							-	111.11
Provision made for loans given								
Elysian Life Sciences Private Limited	**112.08**	111.56						
Trade payable balance								
Atma Projects							**0.20**	0.20
Solara Active Pharma Sciences Limited							**0.73**	10.85
Strides Pharma Sciences Limited							**7.94**	6.80
Agnus Holdings Private Limited							-	0.01
Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited	**1,917.22**	1,666.62						

Note 1 - The Company has subscribed to the right issue of 63,70,196 shares at ₹ 243 per share of Alivira Animal Health Limited amounting to ₹ 1,547.96 on 17 October 2018.The amount payable towards this right issue has been adjusted against the sum receivable towards loan given by Company to Alivira Animal Health Limited.

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to the standalone financial statements for the year ended 31 March 2019

All amounts are in ₹ million unless otherwise stated

45 Operating leases

i) Leases as lessee

a) The Company's significant leasing arrangements are in respect of factory building, land and guest houses. The Company has entered in to cancellable lease arrangement with 1 month notice period for its guest houses.

ii) Payments recognised as an expense (continuing operations)

	31 March 2019	31 March 2018
Lease payments	3.73	5.91
	3.73	**5.91**

There is no non-cancellable operating lease commitments as at 31 March 2019 and 31 March 2018.

46 Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), in the year 2008, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors.

Employees Stock Option Plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
30 May 2013	27,00,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
12 February 2014	5,00,000		
28 May 2014	9,00,000		
12 November 2014	1,000,000		
11 January 2016	5,00,000		
14 May 2016	3,45,000		
23 May 2017	50,000		
03 November 2018	26,60,000		

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 28.38 (during the year ended 31 March 2018: ₹ 74.17). Options were priced using a black scholes model. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements if any, were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

	31 March 2019	31 March 2018
Inputs into the model		
Grant date	03 November 2018	23 May 2017
Grant date share price	51.13	118.30
Exercise price	40.00	87.00
Expected volatility	40.16%	54.61%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	7.66%	6.99%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees stock option plan:				
Option outstanding at the beginning of the year	**24,41,000**	**29.00**	29,25,000	29.87
Granted during the year	**26,60,000**	**40.00**	50,000	87.00
Exercised during the year	**4,98,380**	**13.52**	3,44,800	20.69
Forfeited during the year	**50,000**	**87.00**	1,89,200	72.93
Options outstanding at the end of the year	**45,52,620**	**36.48**	24,41,000	29.00

D. Share options exercised during the year

The following share options were exercised during the year:

	Number exercised	Exercise date	Share price at exercise date
Option series			
1. Granted on 30 May 2013	20,000	22 May 2018	47.68
2. Granted on 28 May 2014	25,000	05 June 2018	47.20
3. Granted on 28 May 2014	78,380	10 October 2018	43.70
4. Granted on 11 February 2014	3,75,000	10 October 2018	43.70

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 36.48 (as at 31 March 2018: ₹ 29.00) and weighted average remaining contractual life of 3.03 years (as at 31 March 2018: 1.68 years).

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47 Details of research and development expenditure

	31 March 2019	31 March 2018
Revenue expenditure		
Employee benefit expenses	-	16.65
Power, water and fuel	-	4.28
Legal and professional fees	-	0.69
Consumables	-	1.84
Travelling and conveyance	-	0.52
Analytical charges	-	31.52
Others	-	0.29
Total	**-**	**55.79**

48 Intangible assets / Intangible assets under development

During the year, the following development expenditure have been transferred to intangible assets / intangible assets under development from the statement of profit and loss:

	31 March 2019	31 March 2018
Employee benefit expenses	-	9.24
Power, water and fuel	-	2.37
Legal and professional fees	-	0.39
Raw material and consumables	-	1.02
Travelling and conveyance	-	0.29
Analytical charges	-	17.49
Depreciation	-	1.30
Others	-	0.16
Total	**-**	**32.26**

	31 March 2019	31 March 2018
Movement of Intangible assets under development:		
a. Movement in development expenses capitalised		
Opening balance	**9.26**	87.80
Add: Development expenses as per note 48 above	-	32.26
Less: Sold during the year	**(9.26)**	-
Less: Transferred on account of demerger	-	(110.80)
Total	**-**	**9.26**

	31 March 2019	31 March 2018
b. Balance of other intangible assets under development:		
Other intangible assets (including SAP implementation)	-	6.64
	-	**6.64**
Total	**-**	**15.90**

49 Financial instruments

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

	Carrying value and fair value	
	31 March 2019	31 March 2018
Financial assets		
Measured at amortised cost		
Investment in subsidiaries	**6,085.67**	4,510.04
Other investments	**0.08**	0.08
Trade receivables	**429.01**	784.66
Cash and cash equivalents	**10.66**	9.96
Other bank balances	**8.11**	20.49
Loans	**602.61**	1,254.02
Other financial assets	**20.62**	11.54
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	**1,796.79**	2,221.37
Investment in equity instruments (Unquoted)	**0.05**	0.05
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	-	135.01
Total	**8,953.60**	**8,947.22**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	**428.82**	-
Trade payables	**526.05**	245.64
Other financial liabilities	**22.91**	12.82
Total	**977.78**	**258.46**

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49.1 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 2019 and 31 March 2018:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
Financial assets designated at fair value through other comprehensive income (note 6 and 13):					
Investment in equity instruments (Quoted)	31 March 2019	1,796.79	1,796.79	-	-
Investment in equity instruments (Quoted)	31 March 2018	2,221.37	2,221.37	-	-
Investment in equity instruments (Unquoted)	31 March 2019	0.05	-	0.05	-
Investment in equity instruments (Unquoted)	31 March 2018	0.05	-	0.05	-
Financial assets designated at fair value through profit and loss (note 13):					
Investment in mutual funds	31 March 2019	-	-	-	-
Investment in mutual funds	31 March 2018	135.01	-	135.01	-

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

Note:

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

(ii) The fair value of the investments in equity is based on the quoted price. The fair value of investments in mutual fund is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

49.2 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, 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 investments, loans, trade and other receivables, cash and short-term 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.

The Company has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange/Regulations. The Audit Committee comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

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49.3 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 clients, 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 and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Company's trade and other 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 trade receivable spread by period of six months:

	31 March 2019	31 March 2018
Outstanding for more than 6 months	9.32	13.59
Others	419.69	771.07
	429.01	**784.66**

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.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

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.

Information about major Customer

Revenue from single external customer is approximately ₹ 236.36 (31 March 2018: ₹ 513.19) representing 14.65% (31 March 2018: 50%) of Company's total revenue from continuing business for the year ended 31 March 2019. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on. As at 31 March 2019, an amount of ₹ 1,917.22 (as at 31 March 2018: ₹ 1,666.62) is outstanding as financial guarantee. These financial guarantees have been issued to banks under the loan agreements entered into with the subsidiaries.

49.4 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, banking facilities and reserve borrowing facilities 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 2019 and 31 March 2018:

	As at 31 March 2019			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	222.74	105.60	100.48	428.82
Trade payables	526.05	-	-	526.05
Other financial liabilities	22.91	-	-	22.91
Financial guarantee	1,917.22	-	-	

	As at 31 March 2018			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	245.64	-	-	245.64
Other financial liabilities	12.82	-	-	12.82
Financial guarantee	1,666.62	-	-	

49.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 exposed to interest rate risk arising mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. Considering the country and economic environment in which the Company operates, its are operations are subject risks arising from fluctuations in exchange rate in those countries. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company holds derivative financial instruments such as foreign exchange

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forward contracts to mitigate the risk of changes in exchange rate foreign currency exposure.

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

Foreign currency	As at 31 March 2019		As at 31 March 2018	
	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency
USD	**80.67**	**1.17**	94.73	1.47
Euro	**(0.01)**	**(0.00)**	(0.01)	(0.00)
USD	**(44.59)**	**(0.64)**	(11.49)	(0.18)
SGD	**(0.00)**	**(0.00)**	-	-
JPY	**(3.12)**	**(4.99)**		

b) **Derivatives instruments**

Derivative transactions are undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. As at 31 March 2019 and 31 March 2018, the Company did not have any outstanding forward exchange contracts.

c) **Foreign currency sensitivity analysis**

The Company is mainly exposed to currency fluctuation of USD 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 on profit or loss and total equity	
	As at 31 March 2019	As at 31 March 2018
Currency of U.S.A (USD)	**(3.61)**	(8.32)
Currency of Europe (Euro)	-	-
Others	**0.31**	-

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.

49.6 Financial instrument - Risk exposure and fair value

Interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments are as follows:

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets		
-Margin money deposit	**15.43**	20.39
Total	**15.43**	**20.39**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	**428.82**	-
Total	**428.82**	**-**

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2019		
Variable-rate instruments	(4.29)	4.29
	(4.29)	**4.29**
31 March 2018		
Variable-rate instruments	-	-
	-	**-**

50 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern 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 (borrowings as detailed in notes 22, 24 & 26 and 15 & 16 offset by cash and bank balances) and total equity (as detailed in notes 20 & 21) of the Company.

The Company's Gearing Ratio at end of the year is as follows:

	31 March 2019	31 March 2018
Debt (i)	**428.82**	-
Cash and cash equivalents (ii)	**10.66**	9.96
Other bank balance (iii)	**8.05**	20.39
Net debt [(i) - { (ii)+(iii) }]	**410.11**	**(30.35)**
Total equity	**9,177.91**	**9,486.17**
Gearing ratio	**4%**	**Nil**

(i) Debt is defined as long-term (including current maturity excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt/ Equity. Since net debt is negative as at 31 March 2018, gearing ratio is disclosed as NIL

51 Business Combination

Acquisition of Mahad EU-GMP API facility

With effect from 01 August 2018 (''the Acquisition date''), the Company has acquired the EU-GMP API facility of Solara Active Pharma Solutions Limited located at Mahad, Maharashtra for a consideration of ₹ 464.00. The acquisition will enable to compliment the current manufacturing facility of Alivira Animal Health Ltd (a Wholly owned subsidiary of the Company) located at Vizag (USFDA approved) and a manufacturing facility of the Company located at Tarapur. Cash paid towards purchase consideration amounted to ₹ 464.00 has been allocated based on the fair value of net assets acquired on acquisition date as follows:

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Component	Fair value
Property, plant and equipment	292.07
Capital work-in-progress	4.67
Intangible assets	6.14
Working capital:	
Inventory (Refer note 31.a & 31.c)	113.31
Cash and cash equivalents	1.53
Others	46.28
Total	**464.00**

Impact on acquisition on the results of the Company :
Results from continuing operations for the year ended 31 March 2019 includes the following revenue and profit generated from the new acquisition:

Revenue from operations	881.13
Profit for the year	46.91

Had these business combinations been effected at 01 April 2018, the proforma revenue and profit for the year from the respective business acquired would have been as below.

Revenue from operations	1,321.70
Profit for the year	70.37

Note: The proforma numbers to represent an approximate measure of the performance of the plant on an annualised basis.

52 Corporate Social Responsibility Expenses (CSR)

The Company has incurred below expenses towards CSR activities as per section 135 of the Companies Act, 2013 and is included in other expenses.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company during the year	**0.33**	0.58
Actual amount spent during the year (Revenue in nature)	**1.01**	-

53 The financial statements were approved for issue by the board of directors on 14 May 2019.

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 14 May 2019

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685
Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7,Road No. 22,
Wagle Industrial Estate, Thane (West) - 400 604,
Tel No: +91 22 4111 4777 | Website: www.sequent.in | Email: investors@sequent.in

NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of SeQuent Scientific Limited will be held on Thursday, August 29, 2019 at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhania High School, Thane (West) – 400 606 at 11:30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements for the period ended 31 March 2019

To receive, consider and adopt:

a) the Audited Financial Statements of the Company for the financial year ended 31 March 2019, together with the reports of the Board of Directors and the Auditors thereon;

b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019, together with the Report of the Auditors thereon;

Item No. 2 – Dividend

To declare a dividend of ₹ 0.2 per equity share, for the financial year ended March 31, 2019

Item No. 3 – Appointment of a Director in place of Dr. S. Devendra Kumar, retiring Director

To appoint a Director in place of Dr. S Devendra Kumar, Non Executive Director (DIN: 00050440), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Item No. 4 – Appointment of Statutory Auditors

To appoint M/s. S R B C & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company in place of retiring auditors i.e., M/s. Deloitte Haskins & Sells, Chartered Accountants for a period of 5 (Five) years to hold the office from the conclusion of this Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting and to authorise the Board of Directors to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary resolution:

RESOLVED that pursuant to the provisions of Section 139, Section 142 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules framed thereunder, (including any statutory modification or re-enactment thereof) and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/ E300003), be and are hereby appointed as Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting and that the Board of Directors be and is hereby authorized to fix and revise their remuneration as may be recommended by the Audit Committee in consultation with the Statutory Auditors every year till the completion of term as fixed by this resolution.

SPECIAL BUSINESS:

Item No. 5 – Remuneration to the Cost Auditor for the Financial Year 2019-20

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution:-**

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act) and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, consents and permissions, if required, the Members hereby ratify the remuneration of upto ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and out – of - pocket expenses incurred in relation to cost audit, payable to M/s. Kirit Mehta & Co., Practicing Cost Accountants for the Financial Year 2019-20.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

Item No. 6 – To approve the re-appointment of Dr. Kausalya Santhanam as an Independent Director of the Company

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

RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) Dr. Kausalya Santhanam (DIN: 06999168), who has submitted a declaration that she meets the criteria of independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years to hold office with effect from October 28, 2019 upto October 27, 2024.

Item No. 7 – To approve the re-appointment of Dr. Gopakumar Nair as an Independent Director of the Company

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

RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, Dr. Gopakumar Nair (DIN: 00092637), who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years to hold office with effect from September 29, 2019 upto September 28, 2022.

Item No. 8 – Continuation of Directorship of Dr. Gopakumar Nair, Independent Director of the Company.

To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

RESOLVED that pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, consent of the Members of the Company be and is hereby accorded for continuation of directorship of Dr. Gopakumar Nair (DIN 00092637), who has attained the age of seventy–five years, as an Independent Director of the Company, for the remaining tenure.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution.

Item No. 9 – To approve the re-appointment of Mr. Manish Gupta as a Managing Director of the Company

To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution:**

RESOLVED that pursuant to provisions of Sections 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with Schedule V to the Act and the Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and subject to such other consents and approvals, sanctions and permissions as may be necessary and subject to such modifications, variations as may be approved and acceptable to the appointee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Manish Gupta (DIN: 06805265) as a Managing Director of the Company for a period of 5 years with effect from November 12, 2019 with remuneration and other terms and conditions as mentioned below:

- Basic Salary ₹ 72,28,608
- House Rent Allowance of ₹ 28,91,352
- Leave Travel Allowance ₹ 3,15,000
- Car EMI ₹ 600,000
- Employer PF ₹ 8,67,432
- Variable Pay ₹ 29,78,592
- Total CTC ₹ 1,42,80,984

RESOLVED FURTHER that Mr. Manish Gupta will also be eligible for Perquisites arising out of exercise of Employee Stock Options held by him (vested and unvested) and also from Perquisites arising from exercise of Employee Stock Options that may be granted to him under any Employee Stock Option Plan of the Company.

RESOLVED FURTHER that Mr. Manish Gupta shall be eligible for annual increment on salary not exceeding 20% of the then prevailing salary and performance incentive/ bonus, if recommended/ approved by the Nomination & Remuneration Committee/ Board of Directors.

RESOLVED FURTHER that the Board of Directors and the Nomination & Remuneration Committee of the Company and the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things necessary to carry on the terms of this resolution.

Item No. 10 – To approve re-appointment of Mr. Sharat Narasapur as Joint Managing Director

To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution:**

RESOLVED that pursuant to provisions of Sections 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with Schedule V to the Act and the Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and subject to such consents, approvals, sanctions and permissions as may be necessary and subject to such modifications, variations as may be approved and acceptable to the appointee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Sharat Narasapur (DIN: 02808651) as a Joint Managing Director of the Company for a period of 5 years with effect from January 8, 2020 without any remuneration.

RESOLVED FURTHER that Mr. Sharat Narasapur will also be eligible for Perquisites arising out of exercise of Employee Stock Options held by him (vested and unvested) and also from Perquisites arising from exercise of Employee Stock Options that may be granted to him under any Employee Stock Option Plan of the Company.

RESOLVED FURTHER that the Board of Directors and the Nomination & Remuneration Committee of the Company and the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things necessary to carry on the terms of this resolution.

By order of the Board of Directors
For Sequent Scientific Limited

Place: Thane
Date: 31 July 2019

Manish Gupta
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. Pursuant to the provisions of the Section 105 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment for the time being in force), a person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent (10%) of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent (10%) of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out material facts in respect of the business of this notice is annexed hereto.

4. Members are requested to kindly bring the attendance slip duly filled and signed and handover the same at the entrance of the meeting.

5. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Annual General Meeting.

6. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

7. All documents referred to in the Notice and Explanatory Statement annexed thereto are available for inspection at the Registered Office of the Company between 10 AM to 12 Noon on all working days of the Company till the date of the Thirty Fourth Annual General Meeting.

8. During the Financial year 2018-19, the Company had transferred unclaimed dividend of ₹ 24,862.50 to the Investor Education and Protection Fund.

9. In support to the Green Initiative, the Company has decided to send documents like Notice convening the general meetings, Financial Statements, Board's Report, and Auditors' Report etc. to the email address registered by the Members with their depositories. We request Members to update their email address with their depository participant to ensure that the annual report and other documents reach them on their preferred email address. Members who have not registered their email ids with depository participants may register their email ids with their respective depository participants. Members holding shares in physical form may intimate us their e-mail address along with name, address and folio no. for registration at investors@sequent.in. Shareholders may obtain the physical copies of these documents by writing to the Company Secretary at the registered office of the Company.

10. Members may also note that the Notice convening the Thirty Fourth Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form will be available on Company's website i.e., www.sequent.in.

11. A brief resume of each of the Directors proposed to be appointed/ re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership/ chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in exhibit to the notice.

12. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company.

13. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide

Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders who are holding shares in physical form are requested to take action to dematerialize the Equity Shares of the Company, promptly.

14. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2019 to August 29, 2019 (both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM.

15. M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS-4554) or failing him, Ms. Hetal Shah (having Membership No. FCS-8063) or failing her Mr. Mahesh Darji (having Membership No. FCS-7175) have been appointed as the Scrutinizer to scrutinize the e-voting process and voting done through Insta Voting/ physical ballot paper at the AGM in a fair and transparent manner.

16. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company has engaged the services of Karvy to provide e-voting facilities and for security and enabling the members to cast their vote in the secure manner.

    The Procedure and Instructions for remote e-voting are as follows:

    i) Open your web browser during the voting period and navigate URL to https://evoting.karvy.com

    ii) Enter your Login Credentials (i.e., User-ID & Password) which will be sent to you separately. Your Folio No. / DP-ID & Client-ID will be your User-ID. (Please refer below table for specifications & instructions).

User – ID	**For Members holding shares in Demat Form:** a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID. b) For CDSL: 16 digits beneficiary ID. **For Members holding shares in Physical Form:** Event Number followed by Folio Number registered with the Company.
Password	Your Unique password will be sent to you separately by courier / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

Please contact our toll free No. 1-800-34-54-001 for any further clarifications.

iii) Members can cast their vote online as mentioned below period & time:

E-Voting Starts	Saturday, August 24, 2019	9:00 AM (IST)
E-Voting Ends	Wednesday, August 28, 2019	5:00 PM (IST)

iv) After entering these details appropriately, click on "LOGIN".

    Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. .

v) You need to login again with the new credentials.

vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.

vii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.

viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting .Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'

ix) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL "and accordingly modify your vote.

x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xi) Corporate/Institutional Members (corporate /Fls/ Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to nilesh@ngshah.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

(1) **In case a Member receives Physical copy of the Notice of AGM and Attendance Slip [For members whose E-Mail-ID's are not registered with the Company / Depository Participants (DP)] or requesting Physical Copy:**

- Initial password will be sent separately.
- follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

(2) **Voting at AGM:** The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM.

The Company will make arrangements of poll papers in this regards at the AGM Venue

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of "https://evoting.karvy.com. If you are already registered with Karvy for e-voting then you can use your existing USER ID AND PASSWORD/PIN for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 48 hours of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of Karvy and shall be communicated to BSE Limited and National Stock Exchange of India.

Note: Karvy e-voting system introduces new facility as "Web Check-In" to advance registration by the share holder directly through their website https://agm.karvy.com/webcheckin/WebReg.aspx for attending AGM and thus to avoid standing in queue at Venue.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

As required by section 102 (1) of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all the material facts relating to the businesses mentioned under Item Nos. 4 to 10 of the accompanying notice:

Item No. 4: Appointment of Statutory Auditor

Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), were appointed as the Statutory Auditors of the Company, for a period of 5 years from the twenty ninth annual general meeting till the ensuing thirty fourth AGM, pursuant to provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Further, in terms of the provisions of the Companies Act, 2013, since they have completed a tenure of 10 years including their previous tenure as Auditors of the Company, they will not be eligible to for re-appointment as Statutory Auditors of the Company.

The Board of Directors based on the recommendation of the Audit Committee propose to appoint M/s. S R B C & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company in place of retiring auditors i.e., M/s. Deloitte Haskins & Sells, Chartered Accountants. for a period of 5 (Five) years to hold the office from the conclusion of this Annual General Meeting till the conclusion of Thirty Ninth Annual General Meeting.

Information pursuant to Regulation 36 (5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

a) Proposed fees payable to the statutory auditor(s) along with terms of appointment.	Proposed fee: ₹ 3,500,000 for FY 2019-20 plus out of pocket expenses The fee paid to M/s. Deloitte Haskins and Sells for FY 2018-19 was ₹ 41,25,000 plus out of pocket expenses.

b)	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	The Management, Audit Committee and Board of Directors thought it fit to consider a Big-4 accounting firm to be appointed as the Statutory Auditor considering the global operations of the Company. Multiple firms were considered and based on series of meetings and evaluations, S R B C & Co LLP was shortlisted by the Audit Committee. Credentials of S R B C & Co LLP: S R B C & Co LLP, established in the year 2002, is a member firm in India of Ernst & Young Global Limited and is a part of S. R. Batliboi & Affiliates network of audit firms. As on 31 March 2019, the said network of audit firms had 90 partners and employed more than 3,000 people.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution.

The Board recommends passing of the proposed resolution stated in Item No. 4 as an Ordinary Resolution.

Item no. 5: Remuneration to the Cost Auditor for the Financial Year 2019-20

In terms of provisions of Section 148 (3) of the Companies Act, 2013 and the Companies (cost records and audit) Rules, 2014 as notified by Ministry of Corporate Affairs, the Company has to appoint a Cost Auditor for the financial year 2019-20 within one hundred and eighty days of the commencement of every financial year. In compliance with the same, the Board in its meeting held on May 14, 2019 appointed M/s. Kirit Mehta & Co., Practicing Cost Accountant, as Cost Auditor for the Financial Year 2019-2020 on a remuneration up to limit of ₹ 350,000/- per annum (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and out-of-pocket expenses on the recommendation of the Audit Committee of the Company.

As per Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors has to be ratified subsequently by the members of the Company. Accordingly, members' approval is sought for ratification of remuneration to M/s. Kirit Mehta & Co., Cost Accountant, for the Financial Year 2019-20.

None of the Director, Promoter, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in this resolution.

The Board recommends passing of the proposed resolution stated in Item No. 5 an Ordinary Resolution.

Item No. 6: To approve the appointment of Dr. Kausalya Santhanam as an Independent Director of the Company

Dr. Kausalya Santhanam (DIN: 06999168) aged 52 years, was appointed as Independent Director of the Company w.e.f October 28, 2014 in compliance with Section 149 of the Companies Act, 2013 and her current tenure as an Independent Director will end on October 27, 2019.

In terms of Section 149 of the Companies Act, 2013, every Independent Director shall hold office for a term upto 5 consecutive years on the Board of the Company. Any re-appointment of such Independent Director shall be approved by the Members of the Company by way of Special Resolution.

Nomination and Remuneration Committee ('NRC') at their meeting held on July 31, 2019 considered the performance evaluation of Dr. Kausalya Santhanam during their tenure and considering her contribution, skill sets and rich experience and has recommended her re-appointment.

Board of Directors at their meeting held on July 31, 2019 considered the recommendation of NRC and approved the re-appointment of Dr. Kausalya Santhanam as Independent Director for the second term of 5 years, subject to approval of the Members.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Dr. Kausalya Santhanam to be re-appointed as Independent Director of the Company.

The Company has also received consent letter and declaration from Dr. Kausalya Santhanam confirming her eligibility for re-appointment as Independent Directors for the second term in line with the requirements of Companies Act, 2013 and Listing Regulations.

Dr. Kausalya Santhanam is not related to any other Director of the Company.

A brief profile of Dr. Kausalya Santhanam is given in exhibit to the notice.

In the opinion of the Board, Dr. Kausalya Santhanam fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and is independent of the management. Except Dr. Kausalya Santhanam, none of the other Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in their respective resolutions.

The Board recommends passing of the proposed resolution stated in Item No. 6 as Special Resolution.

Item No. 7: To approve the appointment of Dr. Gopakumar Nair as an Independent Director of the Company

Dr. Gopakumar Nair (DIN: 00092637) (Dr. Nair), aged 78 years, was appointed as Independent Director of the Company w.e.f September 29, 2014 in compliance with Section 149 of the Companies Act, 2013 and his current tenure as an Independent Director will end on September 28, 2019.

In terms of Section 149 of the Companies Act, 2013, every Independent Director shall hold office for a term upto 5 consecutive years on the Board of the Company. Any re-appointment of such Independent Director shall be approved by the Members of the Company by way of Special Resolution.

Nomination and Remuneration Committee ('NRC') at their meeting held on July 31, 2019 considered the performance evaluation of Dr. Nair during his tenure and considering his contribution, skill sets and rich experience and recommended his re-appointment.

Board of Directors at their meeting held on July 31, 2019 considered the recommendation of NRC and approved the re-appointment of Dr. Nair as Independent Director for a further period of 3 years, subject to approval of the Members.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Dr. Nair to be re-appointed as Independent Director of the Company.

The Company has also received consent letter and declaration from Dr. Nair confirming his eligibility for re-appointment as Independent Director for the second term in line with the requirements of Companies Act, 2013 and Listing Regulations.

Dr. Nair is not related to any other Director of the Company.

A brief profile of Dr. Nair is given in exhibit to the notice.

In the opinion of the Board, Dr. Nair fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and is independent of the management. Except Dr. Nair, none of the other Directors, Key Managerial Personnel, Promoters or their relatives are in any way concerned or interested, financially or otherwise, in their respective resolutions.

The Board recommends passing of the proposed resolution stated in Item No. 7 as Special Resolution.

Item No. 8 - Continuation of Directorship of Dr. Gopakumar Nair, Independent Director of the Company

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy - five years.

Dr. Gopakumar Nair was appointed as Independent Director on 29 September 2014 in terms of Companies Act, 2013 and his current tenure as an Independent Director will end on September 28, 2019. At the time of the appointment his age was 73 years. The Company has sought and obtained approval of the Members at the AGM held on September 27, 2018 for continuation of Dr. Nair's directorship till his current tenure which will end on September 28, 2019.

It is proposed to reappoint Dr. Nair as an Independent Director for a further term of 3 years and approval of shareholders for such re-appointment is sought vide Item No. 7 of this notice. Since Dr. Nair has crossed the age of 75 years and in compliance with the requirements of the aforementioned Regulations, the consent of the Members by way of Special Resolution is sought for appointment/ continuation of Dr. Nair as a Non - Executive Independent Director till September 27, 2022.

Profile of Dr. Gopakumar Nair is as follows:
Dr. Nair with his 40 years experience and knowledge in pharmaceutical and chemical industry at different levels and positions. He was also Past-President of Indian Drug Manufacturers' Association; he is familiar with GATT, WTO, TRIPs and other IP laws over the years.

The Board feels that Dr. Gopakumar Nair's vast experience in understanding the business of the Company and also in pharmaceutical space has added great value to the Company in the past and we feel his continued presence in the Board will be help the Board immensely, at this critical juncture where the Company is aspiring to emerge as a top 10 Animal Health Company in the world.

Except Dr. Nair, none of the Promoters, other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members of the Company

The Board recommends passing of the proposed resolution stated in Item No. 8 as Special Resolution.

Item 9: To approve the re-appointment of Mr. Manish Gupta as a Managing Director of the Company

Mr. Manish Gupta joined the Company as Chief Executive Officer and was inducted to the Board as Managing Director on November 12, 2014. He has over 23 years of experience in leading and managing business across the US, Europe and India to enhance performance. Before joining SeQuent Scientific, he was the CEO of Strides Pharma Science Limited, where he spearheaded the pharma operations.

The current term of Mr. Manish Gupta will come to an end on November 11, 2019.

The Board of Directors at its meeting held on July 31, 2019, based on the recommendation of the Nomination and Remuneration Committee had approved the re-appointment of Mr. Manish Gupta as a Managing Director of the Company for a period of 5 years with effect from November 12, 2019, subject to approval of shareholders, with a remuneration as detailed in the resolution.

The information as required under Schedule V of the Companies Act, 2013 is provided below:

I. General Information:

(i) Nature of Industry: Pharmaceutical - Animal Health Industry

(ii) Date or expected date of Commencement of Commercial production: Not applicable - The Company is an existing Company

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable - The Company is an existing Company

(iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March 2019:

(₹ in millions)

Particulars	Standalone			Consolidated		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Turnover & Other Income	1812.02	1315.05(^)	1136.00	10479.79	8660.29(^)	7000.83(^)
Net profit as per P&L	75.86	-22.04(^)	-0.12	568.77	101.88(^)	-138.64(^)
Dividend rate	10%(*)	10%(#)	-	-	-	-

**Board of Directors recommended the dividend

#Board of Directors approved the interim dividend

^Turnover and Net Profit for continuing operations

(v) Foreign Investment or collaborations, if any:

The foreign portfolio investment in the Company is 8.02% of the Paid up Share Capital of the Company as on June 30, 2019. The Company does not have any foreign collaborations.

II. Information about the appointee

(i) Background details:

Mr. Manish Gupta, BE (Mechanical) and MBA graduate joined the Company as a Chief Executive Officer on January 1, 2014 and joined the Board as Managing Director on November 12, 2014. Mr. Manish has over 23 years of experience in leading and managing business and performance enhancement across the USA, Europe and India. Prior to joining the Company, Mr. Manish was the CEO - Pharma of Strides Pharma Science Limited, where he spearheaded the Pharma Operations. He also played a vital role in the sale of Australasian generics (Ascent) business and injectable (Agila) business.

Mr. Manish Gupta has been spearheading a turnaround in SeQuent, which has turned into profitability in the last couple of years and played a major role in expanding the operations globally through organic and inorganic routes.

(ii) Past remuneration, recognition or awards, job profile and suitability:

The details of present remuneration of Mr. Manish Gupta is as given in the resolution appointing him.

Mr. Manish Gupta has also been appointed as a Managing Director of Alivira Animal Health Limited, a Subsidiary of the Company ("Alivira") and is receiving a maximum remuneration of ₹ 14,073,888 p.a. including Annual Variable Pay of 20% of the total CTC based on his performance.

Mr. Manish Gupta also holds 1,921,620 Employee Stock Options of the Company convertible into equivalent number of equity shares of ₹ 2/- each.

(iii) Remuneration proposed:

The details of proposed remuneration is as given in the resolution appointing him as Managing Director.

(iv) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration payable to Mr. Manish Gupta, who is proposed to be appointed as a Managing director and whose profile is detailed above has been benchmarked with the remuneration being drawn by other managerial personnel in the similar capacity of other Companies of comparable size in the pharmaceutical industry. Considering the general industry and the specific Company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

(v) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Manish Gupta has no other pecuniary relationship with the Company except to the extent of his remuneration in the Company.

III. Other Information

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company has earned profits for the financial year ended March 31, 2019. Further the Company has taken appropriate steps to ensure profitability in future. The Company has initiated various measures towards achieving organisational and operating efficiencies and strengthening core competencies. The key focus areas would be profit maximisation, conservation of cash, operational efficiencies, cost and working capital containment.

Additional disclosures as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Mr. Manish Gupta is not related to any of the Directors of the Company
- Mr. Manish Gupta is not a Director of any listed Company or Member of any Committees in any listed entities
- As at date of this notice, Mr Manish Gupta holds 587,380 shares in the Company. Mr. Manish Gupta also holds 1,921,620 Employee Stock Options.

A copy of memorandum of terms of appointment of Mr. Manish Gupta is available for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on all the working days till the date of the AGM, i.e., August 29, 2019

Except Mr. Manish Gupta and his relatives, none of the Promoters, Directors, Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item No. 9 as Special Resolution.

Item 10: To approve the re-appointment of Mr. Sharat Narasapur as Joint Managing Director

Mr. Sharat Narsapur has over 28 years of experience in chemical, agrochemical and pharmaceutical industry in various roles, starting from design and development to managing business operations. He has vast knowledge in techno-commercial operations involving management of large multilocation chemical/API manufacturing operations and global project/programme management.

Mr. Narasapur was appointed as Joint Managing Director of the Company w.e.f January 8, 2017 for a period of 3 years and his current tenure will come to an end on January 7, 2020.

The Company in their Board Meeting held on July 31, 2019 based on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Narasapur as a Joint Managing Director with effect from January 8, 2020 for a tenure of 5 years without any remuneration subject to approval of the Members of the Company.

The information as required under Schedule V of the Companies Act, 2013 is provided below:

I. General Information:

(i) Nature of Industry: Pharmaceutical - Animal Health Industry

(ii) Date or expected date of Commencement of Commercial production: Not applicable - The Company is an existing Company

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable - The Company is an existing Company

(iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March 2019:

(₹ in millions)

Particulars	Standalone			Consolidated		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Turnover & Other Income	1812.02	1315.05(^)	1136.00	10479.79	8660.29(^)	7000.83(^)
Net profit as per P&L	75.86	-22.04(^)	-0.12	568.77	101.88(^)	-138.64(^)
Dividend rate	10%(*)	10%(#)	-	-	-	-

**Board of Directors recommended the dividend

#Board of Directors approved the interim dividend

^Turnover and Net Profit for continuing operations

(v) Foreign Investment or collaborations, if any:

The foreign portfolio investment in the Company is 8.02% of the Paid up Share Capital of the Company as on June 30, 2019. The Company does not have any foreign collaborations.

II. Information about the appointee

(i) Background details:

Mr. Sharat Narasapur holds a degree in Chemical Engineering from Institute of Chemical Technology – Mumbai, with experience spanning over 28 years in Chemical, Agrochemical and Pharmaceutical industry in various roles starting from design and development to managing business operations. He has depth of experience in Techno-commercial operations involving management of large multi-location chemical/ API manufacturing operations, Supply chain management, procurement, planning, manufacturing, QMS/RA, New Product development, Projects & Engineering, Global project /program management and tech transfers. His exposure to product development, process engineering and innovation has resulted in creation of valuable IP. His career spanning over two and a half decades comes with global exposure to customers across big pharma, biotech start-ups and multicultural trans-national work force.

Mr. Narasapur has worked with Company's like Dr Reddy's, Gharda Chemicals and his latest assignment was with Aurobindo Pharma as Sr. VP – Operations. He provides leadership to Tech-ops, SCM, QM&RA and R&D for the group.

(ii) Past remuneration, recognition or awards, job profile and suitability:

Mr. Sharat Narasapur received nil remuneration from the Company during the financial year 2018-19.

Mr. Sharat Narasapur has also been appointed as a Joint Managing Director of Alivira Animal Health Limited, a Subsidiary of the Company ("Alivira") and is receiving a maximum remuneration of ₹ 10,418,172 p.a. including Annual Variable Pay of 20 % of the total CTC based on his performance.

Mr. Sharat Narasapur holds 437,500 Employee Stock Options of the Company convertible into equivalent number of equity shares of ₹ 2/- each.

(iii) Remuneration proposed:

Mr. Sharat Narasapur will receive nil remuneration for the Company.

(iv) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Mr. Sharat Narasapur is going to draw nil remuneration for the Company.

(v) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Sharat Narasapur has no other pecuniary relationship with the Company except to the extent of his remuneration in the Company.

III. Other Information

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company has earned profits for the financial year ended March 31, 2019. Further the Company has taken appropriate steps to ensure profitability in future. The Company has initiated various measures towards achieving organisational and operating efficiencies and strengthening core competencies. The key focus areas would be profit maximisation, conservation of cash, operational efficiencies, cost and working capital containment.

Mr. Narasapur draws remuneration of ₹ 10,418,172 per annum from Alivira Animal Health Limited, a wholly owned subsidiary of the Company in the capacity as Joint Managing Director.

Required information under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Mr. Sharat Narasapur is not related to any of the Directors of the Company
- Mr. Sharat Narasapur is not a Director of any listed entity or Member of any Committees in a Listed entities.
- As at date of this notice, Mr Narasapur holds 74,000 shares in the Company. Mr. Narasapur also holds 437,500 Employee Stock Options.

A copy of memorandum of terms of appointment of Mr. Sharat Narasapur is available for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on all the working days till the date of the AGM, i.e., August 29, 2019

Except Mr. Narasapur and his relatives, none of the Promoters, Directors, Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item No. 10 as Special Resolution.

By order of the Board of Directors
For Sequent Scientific Limited

Place: Thane
Date: 31 July 2019

Manish Gupta
Managing Director

Location Map of Venue of the Thirty Fourth Annual General Meeting of the Company to be held on Thursday, 29 August 2019 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W) – 400 606, at 11.30 a.m.

Thane Station to Hotel Satkar Residency

Exhibit to the Notice

Details of Directors seeking Appointment/ Re- Appointment of Director

Name of the Director	Dr. Kausalya Santhanam	Mr. Manish Gupta	Mr. Sharat Narasapur
Directorships held in other Companies (excluding private, foreign and Section 8 companies)	Solara Active Pharma Sciences Limited (Listed entity)	Alivira Animal Health Limited Sequent Research Limited	Alivira Animal Health Limited Sequent Research Limited
Membership / Chairmanship of Committees (includes only Audit and Stakeholders Relationship Committee)	Member of Audit Committee and Chairperson of Stakeholders Relationship Committee in Sequent Scientific Limited and	NA	NA
Expertise in specific functional area	Dr. Kausalya Santhanam is a registered patent agent in the USPTO and India. After eight years of research experience in India and the US, she joined the Intellectual Property Department with CuraGen Corporation, a biopharmaceutical company in USA. She has considerable experience in designing patent strategies. She is currently an IP consultant to Biotechnology and Biopharmaceutical Corporates' both in India and the US.	Mr. Manish Gupta has over 23 years of experience in leading and managing business and performance enhancement across the USA, Europe and India. Prior to joining Sequent Scientific, Manish was the CEO – Pharma of Strides Arcolab Limited, where he spearheaded the Pharma Operations. He also played a vital role in the sale of Australasian generics (Ascent) business and injectable (Agila) business.	Mr. Sharat Narasapur holds a degree in Chemical Engineering from Institute of Chemical Technology – Mumbai, with experience spanning over 28 years in Chemical, Agrochemical and Pharmaceutical industry in various roles starting from design and development to managing business operations. He has depth of experience in Techno-commercial operations involving management of large multi-location chemical/ API manufacturing operations, Supply chain management, procurement, planning, manufacturing, QMS/RA, New Product development, Projects & Engineering, Global project / program management and tech transfers. His exposure to product development, process engineering and innovation has resulted in creation of valuable IP. His career spanning over two and a half decades comes with global exposure to customers across big pharma, biotech start-ups and multicultural trans-national work force.
Shareholding in the Company	Nil	587,380	74,000
Relationship with other Directors and Key Managerial Personnel	None	None	None
Date of Birth and Age:	05/05/1967 Age: 52	01/04/1967 Age: 52	30/08/1966 Age: 53
Qualification	M Sc., LLB and Doctorate in Cell Biology and Immunology	BE (Mechanical) and MBA	Degree in Chemical Engineering
Date of first appointment on the Board	October 28, 2014	November 12, 2014	January 08, 2017
Number of meetings attended during the year	5 out of 5	5 out of 5	5 out of 5

Name of the Director	Dr. Devendra	Dr. Gopakumar Nair
Directorships held in other Companies (excluding private, foreign and Section 8 companies)	Shasun Biotech Limited	1. Fermenta Biotec Limited 2. Alivira Animal Health Limited
Membership / Chairmanship of Committees (includes only Audit and Stakeholders Relationship Committee)	NA	NA
Expertise in specific functional area	Dr. S. Devendra Kumar is a graduate in medicine and is one of the key architects in developing Shasun Pharmaceuticals Limited ("Shasun") and was instrumental in transforming Shasun from a domestic seller to export-oriented Company. He has gained a worldwide reputation for his knowledge in Marketing, Customer Satisfaction, Global Competition and Strategic Thinking.	Dr. Gopakumar Nair is an Chairman & Independent Director on the Board. With his 40 years experience and knowledge in pharmaceutical and chemical industry at different levels and positions
Shareholding in the Company	NA	116740
Relationship with other Directors and Key Managerial Personnel	NA	NA
Date of Birth and Age	November 09, 1951 Age: 68	June 11, 1941 Age: 78
Qualification	Graduate in Medicine	LLB, M.Sc. (Organic Chemical) Ph.D (Organic Chemical) Diploma in Management Diploma in Patent Law & Practice
Date of first appointment on the Board	October 29, 2015	June 20, 2006
Number of meetings attended during the year	4 out of 5	5 out of 5

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Gopakumar G Nair
Chairman and Independent Director

Mr. Manish Gupta
Managing Director and Chief Executive Officer

Mr. Sharat Narasapur
Joint Managing Director

Dr. Kausalya Santhanam
Independent Director

Mr. Narendra Mairpady
Independent Director

Dr. S Devendra
Non-Executive Director

Mr. K E C Rajakumar
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Tushar Mistry

REGISTERED OFFICE

301, 3rd Floor, Dosti Pinnacle,
Plot No. E7, Road No.22
Wagle Industrial Estate
Thane (West) - 400 604,
Maharashtra

STATUTORY AUDITORS

M/s. Deloitte Haskins and Sells
Anchorage 2, 100/2,
Richmond Road
Bengaluru – 560 025, Karnataka

BANKERS

1. Export Import Bank of India,
2. RBL Bank Limited
3. Yes Bank

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Pvt. Ltd,
Karvy Selenium, Tower - B,
Plot No. 31 & 32, Nanakramguda,
Serilingampally Mandal,Hyderabad,
Telangana,500032

GLOBAL FACILITIES

Provet Veteriner Ürünleri San.
ve Tic. A. S, Turkey:
Polatlı Organize Sanayi Bölgesi
210., Cad de no:7 Polatlı/ Ankara,
Turkey

Karizoo, Spain
Polig. Industrial La Borda
Mas Pujades, 11-12
08140 Caldes de Montbui
(Barcelona) Spain

Interchange, Brazil
Rua João Baptista de Queiroz
Júnior, 447
Jd. Myriam | ZIP 13.098-415
Campinas-SP

Bremer Pharma Gmbh
Werkstr. 42
34414 Warburg
Deutschland

Plot Nos. 136, 137, 138, 139, 140,
141, 150, 151 & W-152, MIDC,
Tarapur, Boisar Dist. Thane,
Maharashtra, India

Plot Nos. A-68, Additional
Ambernath, MIDC Indl. Area,
Ambernath (East) Dist. Thane,
Maharashtra, India

Plot No- 104 to 109 & Part of
112 & 113, Ramky Pharma City
SEZ JNPC, Parawada Mandal,
Visakhapatnam, Andhra
Pradesh, India

Plot Nos. B-32, G-2, G-3, MIDC, Mahad,
Dist. Raigad. Maharashtra

SeQuent Research Limited, India:
Plot Nos. 120A & B, Industrial
Area, Baikampady, New
Mangalore - 575 011,
Karnataka, India

Plot No. 11, KIDAB Industrial
Area, Phase I, Jigani, Anekal
Tq, Bengaluru – 560 105,
Karnataka, India

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

Registered Office

301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,
Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra
Tel No: +91 22 4111 4777

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