Sequent
Proven Ability In Life Sciences

IMMUNITY IN DIVERSITY!

SeQuent Scientific Limited
Annual Report 2009-10

Forward-looking Statements

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to Company or its business are intended to identity such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

CONTENTS

‘STRENGTH LIES IN **DIFFERENCES,** NOT IN SIMILARITIES.’

Stephen Covey

The world is becoming flat. Ambitions soar higher than ever before. People work far longer hours. Pollution is increasing by the day. New diseases are spreading faster than ever before. In a world full of uncertainties we are pushing forward to create a healthy organisation that can not only survive in the wake of external challenges, but also excel when faced with an opportunity.

At SeQuent, we provide world-class solutions in pharmaceuticals and speciality chemicals sectors. Since our inception, we have created value through sustained investments in diverse yet synergistic capabilities, intellectual capital and scalable infrastructure. In the last three years, we have evolved from primarily an active pharmaceutical ingredients (APIs) manufacturer to an integrated pharmaceuticals company having presence in human and animal APIs, veterinary formulations and CRAMS (Contract Research and Manufacturing Services). On the other hand, we have also scaled our speciality chemicals vertical by expanding our product profile, to cater to different industries. Our diverse and scalable business model will not only enable us to achieve accelerated pace of growth but also protect stakeholders' value during any unforeseen downturn in specific segments. At SeQuent, we call this ability to insulate ourselves from circumstances - ***immunity in diversity***.

ONE IDENTITY.
DIVERSE FACETS.

How did we begin?

Established in 2007 by first generation entrepreneurs with more than two decades of experience in the pharmaceuticals industry.

Who we are?

A fast growing integrated pharmaceuticals and speciality chemicals company and among the top 5 producers' of Anthelmentic APIs in the world.

Where we are?

Registered office

Mumbai, Maharashtra

Corporate office

Bangalore, Karnataka

Manufacturing facilities

- Mangalore, Karnataka
- Ambernath, Maharashtra
- Tarapur, Maharashtra
- Mahad, Maharashtra
- Panoli, Maharashtra

What we produce?

- Active Pharmaceutical Ingredients – Human and Veterinary
- Veterinary Formulations
- Speciality Chemicals

What is our team strength?

673 qualified, experienced and committed employees as on March 31, 2010.

Where are we listed?

Our shares are listed on the Bombay Stock Exchange (Stock code: 512529). Our market capitalisation as on March 31, 2010 was Rs. 2,988 mn.

ONE BELIEF. DIVERSE INTERPRETATIONS.

At SeQuent, we believe in ensuring good health for all our stakeholders - be it through our product quality, our research capabilities, our financial health, our ability to create a sustainable business model or even our initiatives to nurture the in-house talent. Our vision, mission and quality policy present diverse interpretations of that one belief.

Our vision

To be a reliable source in the mature generic and niche molecule areas while building a sustainable CRAMS resource for our customer.

Our mission

To deliver quality products competitively while adhering to high quality standards and safety of our people and our environment.

Our quality policy

SeQuent Scientific Limited is engaged in development & manufacture of pharmaceuticals and speciality chemicals. Every product manufactured in our premises shall adhere to the prescribed quality norms for the product and focused efforts shall be taken towards continual improvement of the product and processes involved. We shall achieve this by ensuring excellent Quality Standards in:

- **Our People -** Through constant training and motivation programs to imbibe the goals and objectives of the Company in their work
- **Our Inputs -** Through strict adherence to Quality standards prescribed for the respective inputs
- **Our Facilities -** Through stringent in-house manufacturing & documentation standards complying to cGMP and all applicable legal and regulatory requirements

ONE DESIRE.
DIVERSE ACHIEVEMENTS.

At SeQuent, we believe that success is not a destination, but a journey, fuelled by one's desire to improve each time. As a result, each achievement plays a key role in strengthening our resolve towards achieving perfection.

Our achievements during 2009-10 are as follows:

Operational highlights

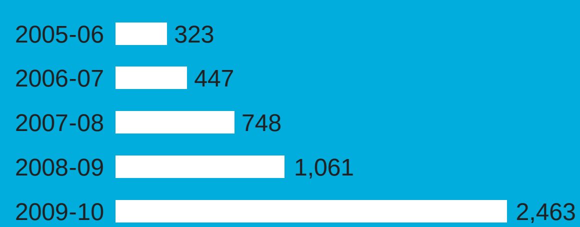
- 14 DMFs filed
- Commercialised 7 new products – Praziquantel, Lumefantrin, Warfarin, Ketosulfone, Nifuroxazide, Nitroscanate and S-Methoprene
- Produced large quantities of Oseltamivir, an active pharmaceutical ingredient used in antiviral drugs to combat Swine-flu
- Completed capacity expansion at Mahad and up-gradation of Mangalore Plant to USFDA standards
- New subsidiaries created to venture into new therapeutic segments like Phyto-Pharmaceutical & Herbal Extract, Oncology, Penems and Penicillins

Awards and accreditations

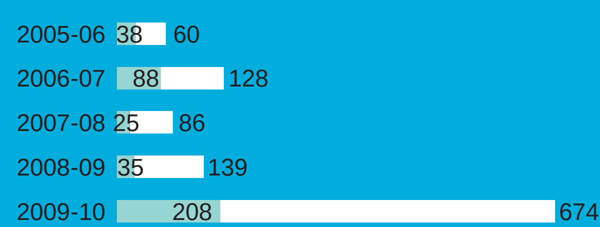
- Received the Best SME Award from Corporation Bank
- Received Certificate of Suitability from European Directorate for the Quality of Medicines & Healthcare for Albendazole for our Mahad & Ambernath units
- WHO inspection of Mangalore facility completed and the facility is now WHO, Geneva pre-qualified.

ONE COMMITMENT.
DIVERSE PARAMETERS.

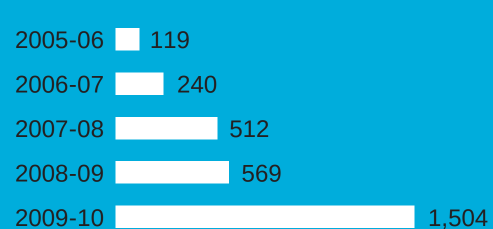
Every commitment, in order to be judged should have a parameter or measure. At SeQuent, we believe in letting the numbers speak for us. Since our inception, we have consistently created value for our shareholders and also maintained healthy balance sheet.



TOTAL REVENUE (Rs. mn)



PAT (Rs. mn) **EBITDA** (Rs. mn)

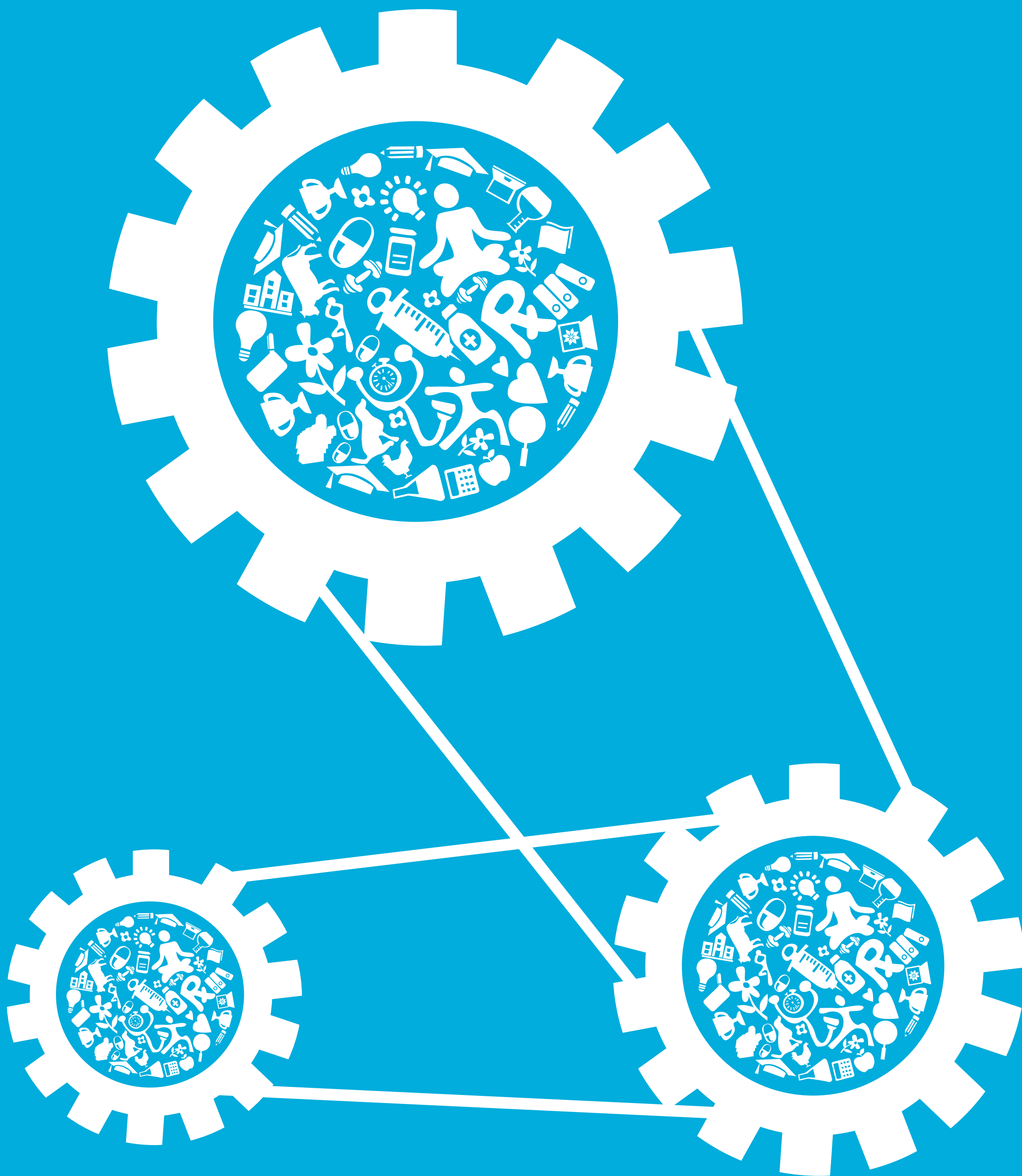


GROSS BLOCK (Rs. mn)

PAT MARGIN (%) **EBITDA MARGIN** (%)

REVENUE BY REGION (%)

REVENUE BY SEGMENT (%)

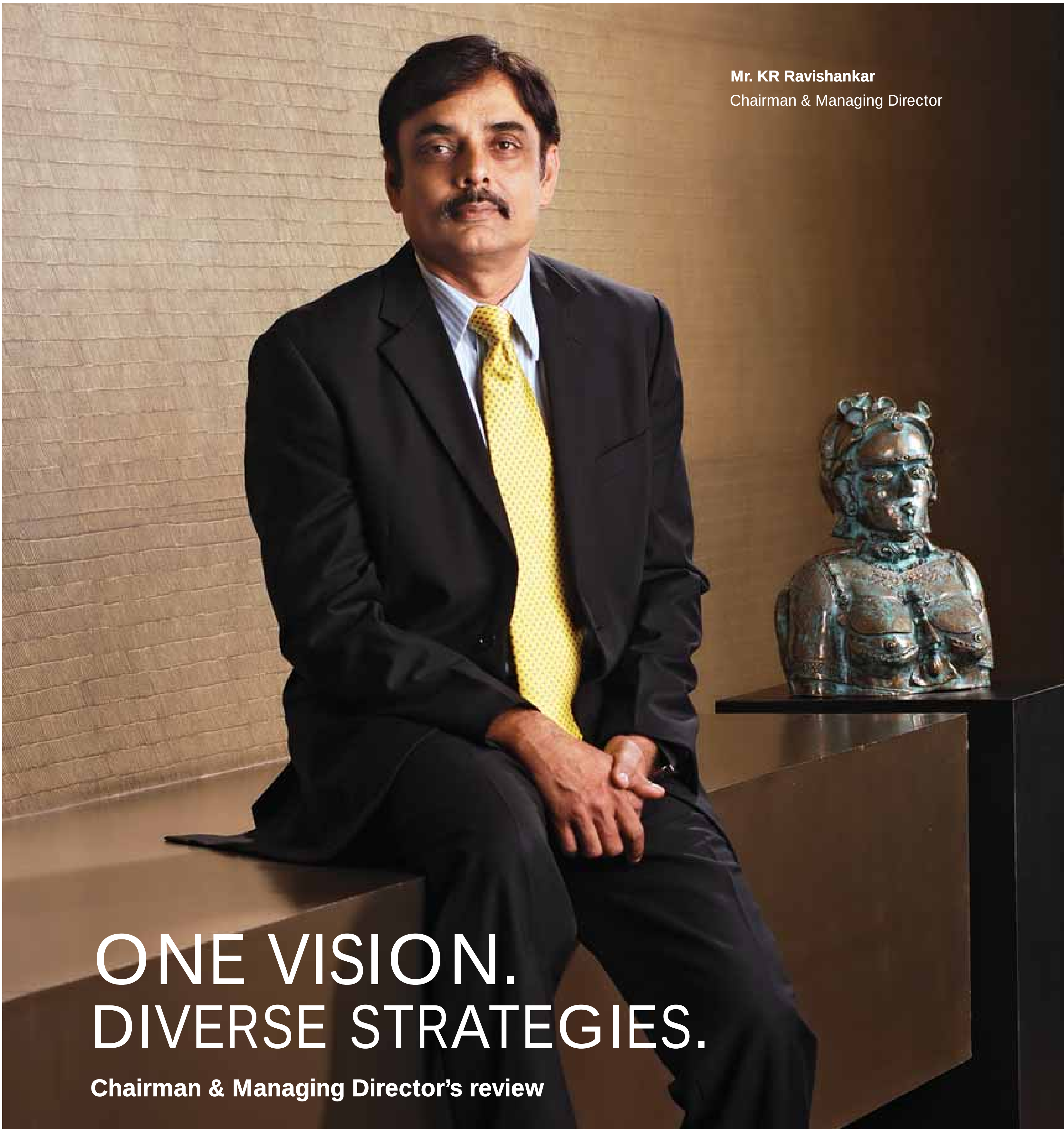


ONE FUTURE.
DIVERSE POSSIBILITIES.

At SeQuent, we believe today's efforts drive tomorrow's growth. As a result, we have created an attractive pipeline of promising products that would add considerable value to our operations going forward. Till date we have filed 20 Drug Master Files and are in the process of filing 5 more. Our state-of-the-art research division is driving our future, and the possibilities that the initiatives provide, are endless.

List of Submitted DMF

Sr. No	Name of APT	Regulatory Authority	Date of Submission	DMF no.
1	Arthemether	WHO-Geneva	June 2008	APIMF 074
2	Artesunate	WHO-Geneva	June 2008	APIMF 097
3	Methoxsalen USP	US FDA	August 2008	21862
4	Imiquimod	US FDA	November 2008	22159
5	Acitretin	US FDA	December 2008	22358
6	Hydralazine HCL	US FDA	March 2009	22633
7	Efavirenz	US FDA	April 2009	22708
8	Indomethacin Sodium	US FDA	April 2009	22751
9	Oseltamivir Phosphate	WHO-Geneva	June 2009	APIMF 096
10	OSeltamivir Phosphate	MOH-Israel	May 2009	--
11	Succinylcholine Chloride	US FDA	June 2009	22892
12	Oseltamivir Phosphate	US FDA	July 2009	22926
13	Oseltamivir Phosphate	MOH-Montenegro	July 2009	--
14	Artemether	US FDA	July 2009	22995
15	Stavudine	US FDA	September 2009	23085
16	Nevirapine Anhydrous	US FDA	September 2009	23124
17	Tenofavir DF	US FDA	January 2009	23475
18	Lumefrantine	US FDA	February 2010	23561
19	Albendazole	COS-EDQM	February 2010	--
20	Clorsulon USP (VMF)	US FDA	March 2010	005-978



Mr. KR Ravishankar
Chairman & Managing Director

ONE VISION.
DIVERSE STRATEGIES.

Chairman & Managing Director's review

Immunity cannot be procured; it is developed or built over a period of time. We have been doing just that - building immunity in our business model which can not only withstand adverse business environments but also deliver sustainable growth. 2009-10 for us, was a year of building a healthy organisation. We continue to strengthen our credentials as a high quality, economical provider of active pharmaceutical ingredients, veterinary formulations, speciality chemicals and CRAMS by consolidating our operations, broadening our product portfolio, deepening our business activities and challenging our abilities to raise the bar in terms of performance.

We consolidated our businesses

For a responsible growth going forward, it was essential for us to consolidate our operations. Therefore, in the very first complete year of operations as a merged company, we identified and restructured our business divisions under two broad segments – Pharmaceuticals and Speciality Chemicals. The creation of segments has not only resulted in better management but also provides us an opportunity to address growth opportunity in each segment with a customised strategy.

Introduced new products

At SeQuent, we have always taken pride in our chemistry skills and R&D expertise. As a testimony to our strengths, we emerged as one of the first movers in producing critical API for the swine-flu formulation. In addition, we also commercialised seven new products and filed 16 new DMFs. Our robust pipeline of products is expected to create sustainable value for the company going forward.

Scaled-up capacities

We are in an attractive phase of growth. As a result, it is vital to create capacities that not only enable us to manufacture products of high quality; but at the same time, offer flexibility in maximizing opportunities offered by diverse customer demand. We invested in scaling capacities at our Mahad unit. At the same time, we also invested in the up-gradation and expansion of our manufacturing facility at Mangalore to USFDA standards. During the year under review, we implemented an organization-wide ERP system. The system would empower unhindered flow of information across the units and would prove a vital support to strengthen our value proposition.

Built a credible team

At SeQuent, we believe that a company is as good as its intellectual capital. As a result, we have always believed in identifying, nurturing and retaining talent across the organization. During 2009-10, we focused on building a credible team comprising across our research, technical and commercial departments. Our team comprise of a healthy blend of experience and exuberance, reflected in industry stalwarts and promising newcomers. We further invested in our state-of-the-art R&D facilities to provide the right environment for enrichment and development of intellectual capital across our units.

Posted robust growth

Our net sales increased by 132 per cent from Rs. 1,061 mn in 2008-09 to Rs. 2,463 mn in 2009-10 mainly on account of income from new revenue streams. The EBIDTA margin improved from 13.1 per cent in 2008-09 to 27.3 per cent in 2009-10. Apart from the higher realisations, a key driver of sales and profit for the year was Oseltamivir Phosphate, an API used to combat the swine flu. Our net profits increased by 494 per cent from Rs. 35 mn in 2008-09 to Rs. 208 mn in 2009-10.

Formulated a sustainable future

During the year we have moved to strengthen our portfolio of products by adding vital therapeutic segments such as Phyto–Pharmaceuticals and Herbal Extracts. We also announced our plans to enter the Oncology, Penems and Penicillins segments through proposed investment of Rs. 1.5 bn in world-class R&D centre at Bangalore. Establishing our presence in these high-margin segments is a strategic move, aimed at creating sustainable value, going forward.

Our ability to deliver customised solutions to niche segments is our main strength that we will continue to develop in the future - through sustained investments, efforts and focus. Going forward we aim to emerge as one of the leading API manufacturers in the country, with the capability to offer products in both small as well as large volume across markets.

Our presence in the Veterinary markets is a source of strength because of its immense potential and the absence of many players in the field. The US and the European market account for 70 per cent of the world demand and we are entirely focused in making our presence felt in this market. This will further enable us to capture potential opportunities and grow exponentially in the future while sustaining our growth momentum despite the steep challenges thrown up by the ever-flattening world.

We have taken the route of rationalising our spends on the manufacturing front, right sizing our capacities while augmenting our capabilities by strategic tie-ups, insulating our operations and giving us immunity from the vagaries of the market. In doing so we create a sustainable, high growth enterprise that will meet every expectation of our stakeholders.

To this we commit ourselves wholeheartedly.

KR Ravishankar,
Chairman & Managing Director

IMMUNITY IN DIVERSITY

To be part of the circumstance but yet be above it. To be part of the play and yet remain its author. Man has always strived to be inviolate amidst the surrounding circumstances. In medical terms, immunity is the holy grail - allowing human beings to be impervious to infection, disease and other biological invasions.

At SeQuent we have taken the concept of immunity and applied it to our business.

Our diverse business & revenue streams are built around our core competencies – our knowledge, expertise in scientific research, our globally benchmarked manufacturing capabilities and our ability to scale operations. These businesses bring stability to our operations and make us immune to downturns in any single industry. It also brings to us multiple opportunities to grow.

We began our foray into business as a manufacturer of APIs and speciality chemicals. We soon scaled up our inherent capabilities in research and manufacturing to become a full service Custom Research and Manufacturing Services (CRAMS) provider.

We also extended our API manufacturing in Veterinary sector, to capture large growth opportunities.

In a short span of 3 years we emerged as a well diversified Rs. 2.5 billion company serving some of the leading MNCs of the world. We are a knowledge based company and our ability to create non infringing processes brings to us a multibillion dollar pipeline of products that we can exploit. Each of these factors adds to our immunity and enables us to scale our operations and grow exponentially in the future.

Immunity is a Growth Opportunity!

In the following pages, we discuss the principles of immunity in diversity, which are enabling us to improve each day.

MULTIPLYING GROWTH BY DIVIDING CHALLENGES

Immunity enables growth.

Yet growth remains the big challenge for any single business. At SeQuent we multiply our possibilities by dividing the big challenge into several individual growth initiatives.

We have built a diversified business that we address with individual focus. In each of these sectors our growth is propelled by adding value through product innovations, customer service and enhanced knowledge base. To ensure accelerated growth in all our verticals, during 2009-10, we restructured our units into two broad segments - pharmaceuticals and speciality chemicals. The Pharmaceuticals segment comprises of human & animal APIs, veterinary formulations and CRAMS, while speciality chemicals is a separate business segment.

Active Pharmaceutical Ingredients

Our capacity to produce large volumes of APIs and proven capability in offering custom solutions for the manufacture of niche molecules have made us the preferred manufacturing partner to a number of large MNCs.

We have successfully developed 50+ API's and have filed 20 Drug Master Files (DMF).

We have emerged among the top 5 manufacturers of anthelmentics and are arguably the world's largest producers of Albendazole - an API used in the human and veterinary segments. We are strongly positioned in the veterinary segment. Our merger with SeQuent Scientific Limited provided us a ready platform in Human APIs and Speciality Chemicals. We are expanding our interests in the Human API business by investing Rs. 1.5 bn into four critical segments of Oncology, Penems, Phyto-Pharmaceutical & Herbal Extract, and Penicillins. We expect these new therapeutic areas to power our long term growth. These investments are expected to bring to the Company a product pipeline with a market potential of over US$8.5 bn.

Speciality chemicals

We are a large volume producer of speciality chemicals that are used across various industries. We have world class manufacturing infrastructure backed by experienced professionals and a state-of the art plant capable of handling a variety of complex chemical reactions. We are in the process of strengthening the business as we believe that it presents us a huge potential waiting to be addressed through innovation and rapid access to markets.

Veterinary formulations

This is a relatively new vertical. We started by focusing on our strengths and our initial offering to the markets was in the Anthelmentics category. Our products are registered in several African countries and we are in the process of launching these in the CIS and the Indian markets. We are actively working on getting our product range registered in regulated markets. Our focus in the near future would be to develop products going off patent in the next couple of years. Depending on the market requirement, we manufacture the formulations in our own plant as well as outsource some formulations under close supervision of our team. Our Veterinary formulations plant is presently being upgraded to comply with EU and USFDA regulatory standards.

CRAMS and Analytical services

SeQuent is a fast growing Custom Research and Manufacturing Services provider. We produce APIs and advanced drug intermediates as a single source for some of our large customers. We have a flexible infrastructure with multiple plants of various sizes to address client requirements briskly. We have proven competence in customising our service to meet the requirements of clients and deliver globally benchmarked quality. We undertake contract research and custom synthesis in addition to process standardisation.

Our growth ready business verticals will not only enable us to attain better size, but most importantly it will enable us to attain better margins and improve our bottom line.

Diverse businesses promote Immunity

INCREASING SCALE BY DECREASING OVERHEADS

Scale is conventionally considered to be the end result for the investments made in increasing production capacities, people and organisational capabilities. We approach scale with the attitude to create capability, rather than merely build capacity. Our tight controls ensure zero compromise in the quality of the products we manufacture. We combine the flexibility of a small company with the volume capability of a large player.

Today we have manufacturing facilities in 5 locations accross India for manufacture APIs, advanced drug intermediates and speciality chemicals. Besides, we also have a state of the art R&D centre in Mangalore.

Since most of our products have multiple step processes, we make some of the stages at outsourced locations, while manufacturing the critical reactions and stages in our own facilities. This gives us the flexibility to manufacture large volumes of products and at the same time, monitor quality.

We ensure world-class quality control, through monitoring, standardizing and sensitizing our partners to best practices and required quality parameters. The ability to scale-up production without propotionate capital expenditure, including lower operating costs, makes us relatively immune to market situation.

Scalability contributes to Immunity

ENHANCING VIABILITY BY ENSURING QUALITY

Quality is not limited to the products we manufacture, but it is reflected in the manner we handle every aspect of our business. We cannot be a producer of quality products if we are not concerned about the quality of our people, the quality of our manufacturing infrastructure, the quality of our processes and the quality of our management. It is only when quality becomes an intrinsic factor in our lives, that viability becomes automatic. When we achieve this level of quality leadership in everything we do, we become immune to 'circumstances'. We act rather than react.

At SeQuent we follow a proactive approach to quality in everything we do. It is evident in our approach to becoming a high quality, economical source of APIs and speciality chemicals. Instead of setting grand enterprise level targets, we began by trying to make small cost reduction of 1-2 per cent without impacting quality of our throughput across every function of the organisation. The idea was to create an organisation that incrementally sheds excess baggage and remains lean. We used training and knowledge building as a tool across the organisation to increase awareness, and optimize the quality as well as reduce the cost of our operations.

So, while we set achievable targets at the level of individual departments, when the savings are taken at the enterprise level, we not only saved significant amounts money, but increased our profitability.

Quality centric management delivers Immunity

IMMUNITY IN DIVERSITY LIES IN...

IMPROVING INNOVATION BY OPTIMISING RESEARCH

Innovation is the end result of successful research. In research, uniformity of approach is tantamount to defeat, and diversity is the key to success. Different opinions, different approaches, different experiments, all directed at one aim, to bring better products via better processes.

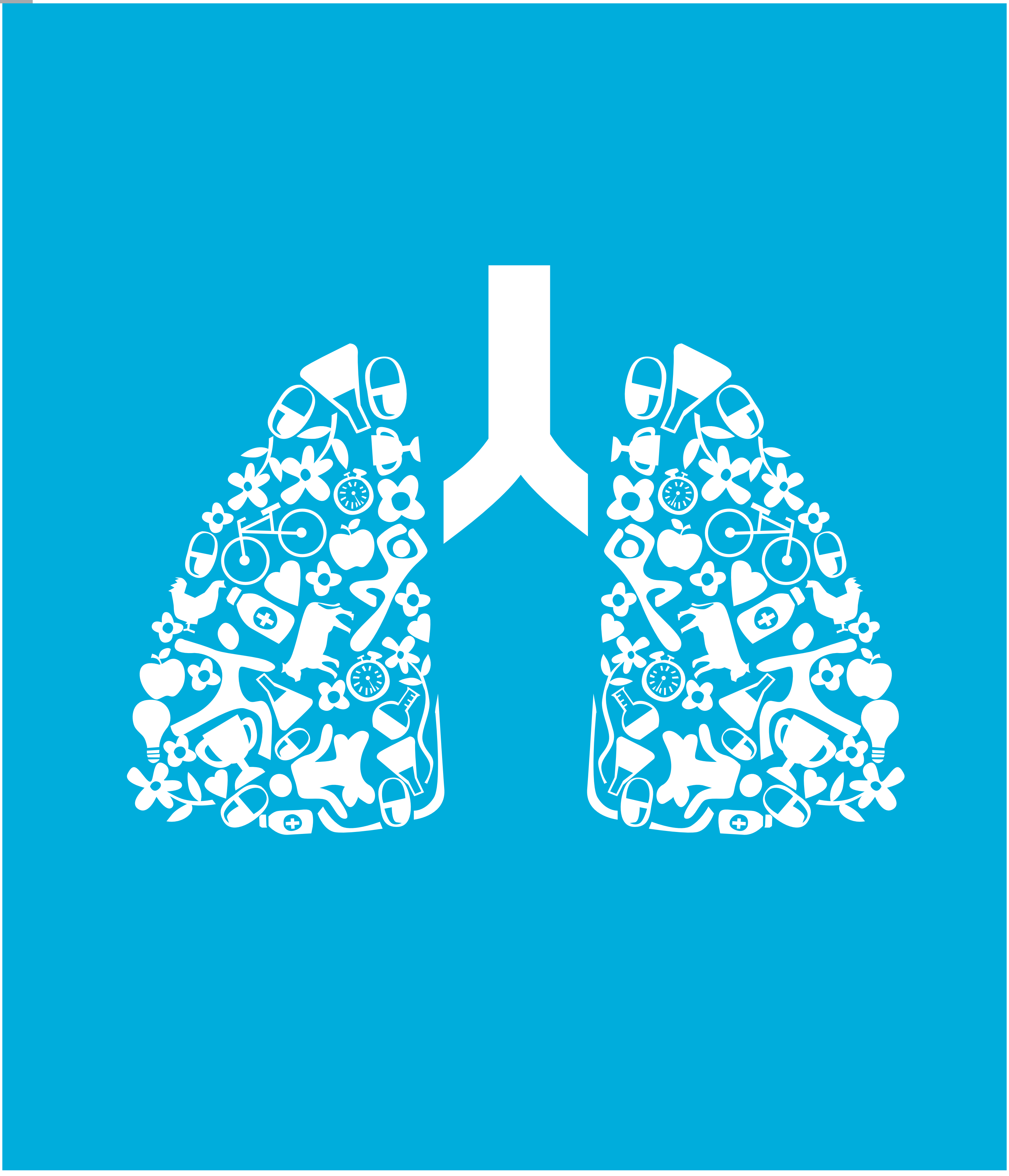
The ability to create a pipeline of research based innovative products and processes are the key to ensuring the immunity of our operations from the vagaries of the market.

To achieve this end, we have established a state of the art R&D hub in Mangalore that can accommodate up to 120 scientists. Our Research team comprises of 10 Phds, and 35 Masters in Chemistry who work with their support staff in 8 world class labs of 70-75 sq. meters that accommodate 80 fume hoods. We have the capabilities to handle different types of chemistry. Our team has the cumulative research experience of over 250 years.

The Mangalore R&D facility also houses a state of the art Analytical Services lab that offers full analytical support including microbiology testing.

Our R&D achievements speak for themselves. Till date, we have filed 22 process patents; published 196 papers; developed 200 fine chemicals, 25 speciality chemicals and 50 APIs. We have also filed 20 DMFs during this time. This level of research led innovation offers us continued immunity from competition.

Innovation is the key to sustained Immunity

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BOARD OF DIRECTORS

1

KR Ravishankar

Chairman & Managing Director

Mr. K R Ravishankar has been in the pharmaceutical business for over 20 years. He started as an entrepreneur, and then joined Strides Arcolab Ltd as co-promoter in 1991. He was Executive Director of Strides Arcolab Limited till he resigned from the executive post in Dec 2007 (he continues on the Board of Strides Arcolab Ltd). He took over as CMD of SeQuent Scientific Limited in January 2008

2

Kannan Ramanujan

Independent Director

Mr. Kannan Ramanujam, a Chartered Accountant by qualification has over 24 years of business and professional experience. He is the Promoter, CEO and Managing Director of Emerge Learning Services Ltd, a public limited company in learning space. The company offers complete solutions in Education, Training, e-governance and Information management areas. Kannan has been the Director of Everonn Systems India Ltd, one of the few listed Education companies in India. He is an Independent Director on the Board.

3

Dr. Gautam Kumar Das

Executive Director

Dr. Gautam Kumar Das is an Executive Director on the Board and has over thirty years of in depth experience in the pharmaceutical industry. Dr. Das has extensive experience in R&D, Plant Operations, Project Management, Material Management, Resource Management & Man Management. He has a proven track record in developing several cost effective processes, driving these processes from the laboratory to the plant and increasing productivity of plants. Dr. Das, a Doctorate in Synthetic Organic Chemistry from IIT Kharagpur, has authored several publications on chemical processes. In his immediate previous assignment, Dr. Das was with Orchid Chemicals & Pharmaceuticals Ltd., Chennai as President – API.

4

Joe Thomas

Independent Director

Mr. Joe Thomas is a Post Graduate in Chemistry, and has served in different capacities at Procter & Gamble and has headed its Marketing Division for South Asia. He worked as President - Strategic Business Development at Strides Arcolab Ltd. He is currently Managing Director of Bioserve Biotechnologies (India) Pvt. Ltd which offers oligo-nucleotide synthesis and other services to the research industry. He is an Independent Director on the Board.

5

Dr. Gopakumar G Nair

Independent Director

Dr. Gopakumar Nair is an Independent Director on the Board. With his 40 years experience and knowledge in pharmaceutical and chemical industry at different levels and positions like Director, Chairman & Managing Director, as well as Past-President of Indian Drug Manufacturers' Association, Dr. Gopakumar Nair had the opportunity to familiarize himself with GATT, WTO, TRIPs and other IP laws over the years. It is with this wealth of experience that Dr. Nair became an IP/ Patent practitioner under the name Gopakumar Nair Associates.

KEY MANAGEMENT TEAM

1
Arun Moli
Vice President - Research & Development

2
Ramesh Kumar Pillai
Corporate Vice President - RA, QA and Technical Services

3
Naga Seshaiah Kaliki
Vice President – Steriles and Oncology Operations

4
Parag Shah
CEO - Phytopharmaceutical & Herbal Extracts

5
Ravi Nair
Executive Vice President - Human Resources

6
Kamesh P
General Manager - Supply Chain

7
Kumud Sampath
CEO - Analystical Services

8
Umesh Kapre
Executive Vice President - Manufacturing

9
KR Ravishankar
Chairman & Managing Director

10
Balasubramanian M
COO - Commercial

11
N Rajaraman
Vice President – Finance & Accounts

12
Dr. Gautam Kumar Das
Executive Director & COO – Technical

13
Kannan PR
Vice President – Corporate Affairs


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DIRECTORS' REPORT

Dear Members,

We take pleasure in presenting the 25th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2010.

1. FINANCIAL RESULTS

The Highlights of the Performance of the Company during the Financial Year ended 31st March 2010 are appended below:-

(Rs. mn)

Particulars	**2009-10**	**2008-09**
Total revenues	2463	1061
Other Income	73	18
Earnings before Interest , Depreciation & Tax	673	138
Less : Interest	(187)	(42)
: Depreciation	(125)	(41)
Profit Before Tax & Exceptional Items	361	55
Exceptional Items	(58)	-
Profit Before Tax	303	55
Provision for - Current Tax	(65)	(18)
- Deferred Tax	(87)	(1)
- Fringe Benefit Tax		(1)
- MAT Credit Entitlement	57	-
Profit after Tax	208	35
Add: - Balance brought forward from Previous Year	129	108
Included on Amalgamation	25	-
Profit available for appropriation	362	143
Which we recommend to appropriate as follows:		
Transfer to General Reserve	16	1
Proposed Dividend	43	11
Tax on Dividend	7	2
Surplus carried to Balance Sheet	296	129

2. BUSINESS PERFORMANCE REVIEW

The Company crossed Rs. 2 billion mark, posting total revenue of Rs. 2463.35 mn during 2009-10, up by 132.26 per cent, against Rs. 1060.62 mn in 2008-09. The Company's EBIDTA increased nearly five-folds from Rs. 138.71 mn in 2008-09 to Rs. 673.72 mn during 2009-10. The EBIDTA margin also doubled from 13 per cent in 2008-09 to 27 per cent in 2009-10 on account of higher realisation, bigger scale and stronger cost control measures. The Company's PAT (after minority interest) improved nearly five times from Rs. 35.17 mn in 2008-09 to Rs. 207.93 mn in 2009-10. On an equity of Rs. 212.35 mn, the Company's EPS for the year stood at Rs. 9.79.

On consolidated basis, the Company posted a 97.5 per cent increase in the total revenues, from Rs. 1440.21 mn in 2008-09 to Rs. 2844.48 mn in 2009-10. The Company posted an EBIDTA of Rs. 848.85 mn against an operating loss of Rs. 9.68 mn in 2008-09. The PAT for 2009-10 stood at Rs. 374.17 mn against a net loss of Rs. 146.60 mn in 2008-09.

The Company caters to two major segment-Pharmaceuticals division (consisting API, CRAMS and Veterinary Formulations businesses) accounted for 76.3 per cent of the Company's revenues while the Specialty chemicals divisions accounted for 23.7 per cent.

2009-10 was a year of key developments. The merger of erstwhile SeQuent Scientific Limited with PI Drugs resulted in a bigger entity – both in terms of scale of operations as well as product segment wise. The Company dedicated its efforts towards achieving operational synergies and harnessing the inherent growth potential of each product vertical, under a new name 'SeQuent Scientific Limited'.

With the outbreak of swine-flu epidemic globally, the demand for antiviral drugs catering to the segment shot up substantially. The Company produced active pharmaceutical ingredient Oseltamivir Phosphate, thereby resulting in improved top line. At the same time, the Company also commercialised seven new products, being Praziquantel, Lumefantrin, Warfarin, Ketosulfone, Nifuroxazide, Nitroscanate and s-methoprene.

The Company also invested Rs. 210 mn in modernisation of Mangalore plant (compliant with USFDA standards) and capacity expansion of its Mahad unit during the year. During the year, the Company filed 14 DMFs (Drug Master Files), taking the total DMF filing to 20.

POST BALANCE SHEET DEVELOPMENTS

In order to capitalise on the global demand for APIs and formulations, the Company decided to foray into four new therapeutic segments – Penems, Penicillin, Oncology and Phyto-Pharmaceutical/Herbal Extracts. The Company has signed a Memorandum of Understanding with Karnataka Government to set up three new Greenfield facilities in Bangalore, for which it will invest Rs. 1500 mn within the next two years.

OUTLOOK

The Company expects further improvement in its performance during 2010-11 owing to culminating effect of the following internal and external factors. It is estimated that drugs worth more than USD 200 bn are expected to go off-patent in the coming 5 years. This provides an attractive opportunity to the API and CRAMS business verticals of the Company. The Company's pipeline of 20 DMFs is also expected to result in attractive growth opportunity for the Company going forward. Besides, the Company's consistent investments in capacity and research are also expected to bear rewarding results in the coming years.

DIVIDEND

The Board of Directors of the Company has recommended a final dividend of Rs. 2 (20 per cent) per equity share for the year 2009-10. This, if approved by the shareholders, would result in a dividend pay-out ratio of 20 per cent and a cash outflow of Rs. 43 mn.

ESOP

With intent to reward its employees for their continuous hard work, dedication and support Company proposed to grant and issue shares to them under ESOP. The main objective of the ESOP Scheme is to recognise employees, who are performing well, with a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and also to attract best talent available in the market. With this intention, the Company drafted a scheme of ESOP and obtained the approval of shareholders in March 2008. Soon after receiving the approval of shareholders, a plan for merger of erstwhile SeQuent Scientific Limited was considered by the management and in view of proposed changes due to merger, the ESOP was kept on hold. On approval of merger, as the number of employees increased to a large extent and Company also acquired various subsidiaries, the management felt the need to modify the ESOP as approved by the shareholders in March 2008. Shareholders have granted their approval to the revised ESOP on 24.05.2010 by Postal Ballot. The ESOP shall be implemented through SeQuent Scientific Employee Stock Option Scheme Trust. The Compensation committee is in the process of finalisation of list of employees whom shares may be granted under ESOP.

SHARE CAPITAL

The Paid-up Share Capital of the Company increased by Rs. 108.50 mn during the financial year under review to Rs. 219.35 mn as on 31st March, 2010. The increase was on account of the following

1) Vide Court Order dated the 16th day of June 2009, SeQuent Scientific Limited ("Transferor Company") was amalgamated into our Company in consideration thereof, the Company allotted seven equity shares for each three equity shares held in the Transferor Company. This resulted in an increase of 10.15 mn equity shares of Rs. 10 each.
2) The Company allotted 0.7 mn equity shares of Rs. 10 each to SeQuent Scientific Employee Stock Option Scheme Trust pursuant to a Scheme of ESOP duly approved by the shareholders' through postal ballot on the 25th day of March 2008.

SUBSIDIARIES

After the close of financial year 2009-10, the Company has incorporated three new companies namely M/s SeQuent Anti Biotics Private Limited, M/s SeQuent Oncolytics Private Limited and M/s SeQuent Penems Private Limited to venture into the Penems / Penicillins /Oncology products. Company is in the process of obtaining approval of Karnataka Udyog Mitra to carry on new projects by the said companies. As on March 31, 2010 the Company has the following subsidiaries

1. SeQuent Global Holdings Limited
2. SeQuent European Holdings Limited
3. SeQuent IPCO GmbH
4. Vedic Elements Private Limited
5. SeQuent Research Limited
6. Sanved Research Labs Private Limited
7. Vedic Fanxipang Pharma Chemic Company Limited, Vietnam
8. Galenica B.V., Netherland
9. Codifar N.V., Belgium

CONSOLIDATED ACCOUNTS

To save paper and the environment, Company has obtained the approval of Central Government under section 212 for not attaching the Balance Sheet and other documents of the subsidiaries with the Balance Sheet of the Company. However with the requirement of Accounting standard AS 21 prescribed by the Institute of Chartered Accountants of India, the consolidated accounts of the Company and its subsidiaries (including joint ventures) is annexed to this report.

INTERNAL CONTROL SYSTEMS

The Company has always believed that transparency, systems and controls are important factors in the success and growth of any organisation. The Company has an adequate system of internal control supported by an extensive programme of internal control and systems are established to ensure that financial and other records reliable for preparing financial statements. This department assumes great significance given the size, scope and rapid rate of growth of the Company. The team is headed by a Chartered Accountant along with senior officers to ensure that transactions are authorised, recorded and reported appropriately.

HUMAN RESOURCES

The biggest strength of the Company has always been its people. Only with their participation have we managed to achieve a healthy work culture, transparency in working, fair business practices and passion for efficiency. Thus development of human resources at all levels is taken on priority to upgrade knowledge and skill of employees and sensitise them towards productivity, quality, cost reduction, safety and environment protection. The Company's ultimate objective is to create a strong and cohesive team of employees wherein each link in the resource chain is as strong as the other.

PUBLIC DEPOSIT

The Company has not accepted or renewed any public deposits under section 58A of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 are set out in the Annexure – 3 to the Directors' Report.

DIRECTOR

Mr. Joe Thomas & Mr. R. Kannan retire by rotation at the ensuing Annual General Meeting and are proposed for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

Dr. Gautam Kumar Das was appointed as additional Director on the Board in the category of Executive Director with effect from the 7th day of January 2010. The shareholders have confirmed the appointment of Mr. Das as director of the Company by postal ballot on May 24, 2010.

The Company has received an approval from the Central Government on the 25th day of September 2009 to pay a total remuneration of Rs. 12.00 mn to the Managing Director – Mr. K R Ravishankar for a period of three years with effect from the 1st day of November 2008 until the 31st day of October 2011. During 2009-10, as the Company had sufficient profits, the Board approved a total remuneration of Rs. 18 mn to Mr. K R Ravishankar that is within the limit of 5 per cent of profit as prescribed in the Act.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the act, as amended by the companies (amendment) Act, 2000, the director confirms that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation related to the material departures.
2. Appropriate Accounting Policies have been selected and applied consistently and have made adjustments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2010 and profit of the Company for the year ended 31st March 2010.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s Deloitte Haskins & Sells retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment

AUDITORS REPORT

The Notes on Account referred in the Auditor's Report are self explanatory and therefore, do not call for any further clarification.

STATUS OF LISTING IN STOCK EXCHANGES

Your Company's shares are listed in Bombay Stock Exchange Limited (BSE), P. J. Towers, Dalal Street, 25th Floor, and Mumbai – 400 001 for which listing fees for 2009-10 has been paid.

CORPORATE GOVERNANCE

The Board of Directors of the Company has taken all necessary steps and initiative to ensure compliance with all the revised requirements of Clauses 49 of the Listing agreement with the Stock Exchanges. A code of conduct as applicable to all the directors and members of the senior management has also been put in place.

A separate section on corporate governance and a certificate from the Auditors of your Company regarding compliance with requirements of corporate governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, form part of Annual Report.

PARTICULARS FOR EMPLOYEES U/S 217 OF THE COMPANIES ACT, 1956

Any shareholder interested in obtaining a copy of the statement of particulars of employees referred to in section 217 (2A) of the Companies Act, 1956, may write to the Company Secretary at the Registered Office of the Company.

DISCLOSURE OF INTEREST BY PROMOTERS

The promoters informed the Board of Directors of their interests in the following new ventures which were incorporated for their other activities

1. Agnus Capital LLP
2. Chayadeep Ventures LLP
3. Atma Enterprises LLP
4. Triumph Ventures LLP
5. Qualichem Capital LLP
6. Triumph Fincap Holdings Private Limited

APPRECIATION

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

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

For and on behalf of the Board of Directors
KR Ravishankar
Chairman & Managing Director

Place: Bangalore
Date: August 13, 2010

ANNEXURE 1

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy.

			2009-10	2008-09
A.	POWER AND FUEL CONSUMPTION :			
	1	**Electricity :**		
	(a)	Purchased :	16,049,183	4,553,814
		Total amount (Rs. in Millions)	84.53	21.13
		Rate / Unit (Rs.)	5.27	4.64
	(b)	Own Generation - through Diesel Generator Set:		
		Unit	645,454	563,344
		Units per-litre of diesel oil	3.06	3.00
		Cost / Unit (Rs.)	12.07	12.54
	2	**Coal :**		
		Quantity (tonnes)	NIL	NIL
		Total Cost (Rs. in Millions)	NIL	NIL
		Average rate (Rs.)	NIL	NIL
	3	**Furnace Oil / Light Diesel Oil:**		
	(a)	Light Diesel Oil :		
		Quantity (litres)	501,680	337,424
		Total amount (Rs. in Millions)	18.30	13.18
		Rate / Litre (Rs.)	36.49	37.29
	(b)	**Furnace Oil :**		
		Quantity (litres)	1,214,639	840,435
		Total amount (Rs. in Millions)	27.80	21.14
		Rate / Litre (Rs.)	22.87	25.15
	4	**Others / Internal Generation :**		
		Quantity (litres)	739,213	NIL
		Total Cost (Rs. in Millions)	10.10	NIL
		Rate / Unit (Rs.)	14.00	NIL

Measures Taken for Conservation of Energy

a) Measures taken during the period for conservation of energy

- Steps taken to sustain the monthly average Power factor at 0.99% by installing 1000KVA auto power factor controller panel at the main incomer.
- Reduction in plant water consumption by 9% by reusing the STP treated water for gardening purpose.
- Opted for DX coil cooling system for the renovated S2 plant, thereby the cooling system is distributed and only the required no of chilling units will be used depending on the temperature requirement, no need of circulation pumps, heat loss is minimal, thereby reducing the power consumption.
- Critical DG running hours was reduced by installation of 60KVA x 3 no UPS for the Analytical Services department thereby saved around 1.2 lakh litres of HSD saved in 5 months.

b) Plans for future conservation of energy

- Propose to replace all the incandescent and mercury vapour bulbs with energy efficient CFL bulbs.
- Plan to replace the magnetic chokes with energy efficient and unity power factor electronic ballasts.
- Proposals for optimization of HVAC system have been finalized.
- RO reject recovery system for purified water systems in Mangalore have been planned.
- Condensate recovery and flash steam blow down recovery system have been planned for IBR boiler system.

ANNEXURE 2

FORM B

Research & Development (R&D)

1. **Specific Areas in which R&D is carried out by the company**
   a) Development of cost effective process for APIs and intermediates.
   b) Development of alternate routes of synthesis to achieve patent non infringing processes
   c) Development of green processes for all products.
2. **Benefits Derived as a result of R&D:**
   a) Filing of DMFs increases the possibilities to tap the potential market.
   b) Development of difficult to make niche products gives an edge over competition.
3. **Future Plan of Action**
   a) In the animal health segment, the company will continue to focus on therapeutic segments of anthelmentic and anti parasiticide.
   b) New research activity on Phyto-Pharmaceuticals, Oncology, Penems and Penicillins
   c) Focus on new projects for contract research.

4 **Expenditure in R&D**

(Rs. In Millions)

	2009-10	2008-09
(a) Capital	Nil	0.23
(b) Recurring	62.15	14.98
(c) Total	62.15	15.21
Total as % of Turnover	**2.52%**	**1.43%**

TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION

The Technology developed by R&D division of the company has been commercialized and adopted at the manufacturing facilities of the company.

ANNEXURE 3

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Millions)

	2009-10	2008-09
(a) Earning	1,059.86	625.61
(b) Outgo	368.39	263.37

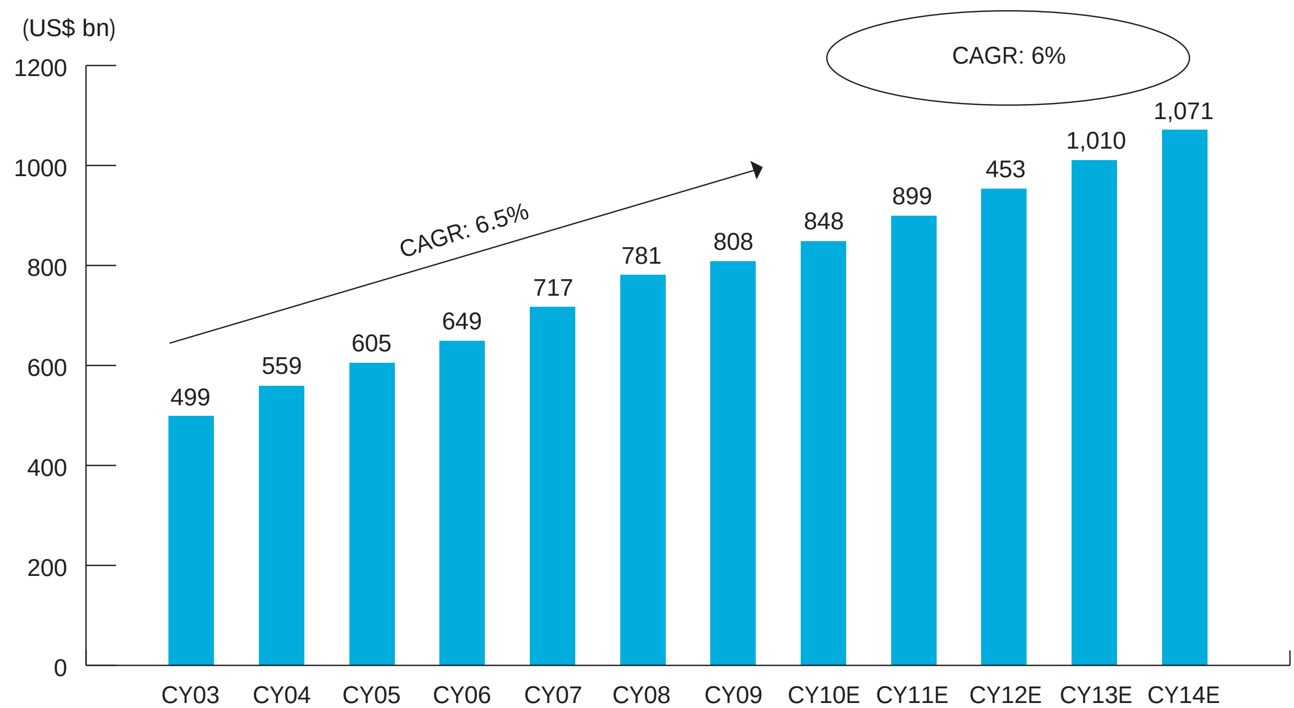
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Global overview

The US$808 billion global pharmaceuticals market (innovator and generics) is classified into regulated and less regulated markets. The regulated markets are primarily governed by stringent government regulations such as intellectual property protection, including product patent recognition as opposed to less regulated markets. Thus the regulated markets provide greater stability in terms of both volumes and prices as the drugs are under patent protection. On the other hand, less regulated markets have lower entry barriers in terms of regulatory requirements and hence they are highly competitive, with industry players primarily competing on the basis of price.

USA remains the largest global market with ~40 per cent share followed by Europe with ~32 per cent market share. Further it is estimated that the global pharmaceutical industry is estimated to grow at a CAGR of 6 per cent between CY09-CY14 (see graph below), the industry is expected to cross the US$1 trillion mark within the next few years.



Source: Religare Pharma Sector Outlook

Indian Overview

The Indian pharmaceutical sector is positioned favourably and is likely to witness sustainable growth over the medium term owing to favourable macro environment, expiry of several patents in the USA, high growth in the emerging markets combined with a stable pricing environment.

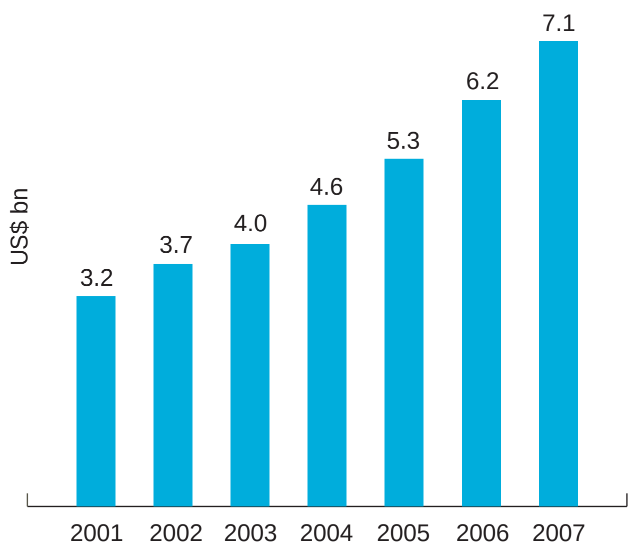
Indian Pharmaceutical sector snapshot

- Indian pharmaceutical industry is ranked 14th in the world in terms of value (with a share of 1 per cent in global sales) and third in terms of volume (with an 8 per cent share in global sales).
- India is among the fastest growing markets in the world with its growth rate having nearly doubled between 2001 and 2006
- A highly organised sector, the Indian pharmaceutical industry is estimated to be worth US$4.5 bn, growing at about 8 per cent to 9 per cent every year. The Indian pharmaceutical sector produces 20 per cent to 24 per cent of the world's generic drugs (in terms of value) and ranks

significantly high in terms of technology, quality and range of medicines manufactured.

- India's pharmaceutical sector can be classified into three broad market segments namely Contract Research And Manufacturing Services (CRAMS), Formulations, and Active Pharmaceutical Ingredients (APIs).
- Indian firms manufacture about 60,000 generic brands across 60 therapeutic categories. India is also among the first five leading API manufacturers.

Market size of the Indian pharmaceutical industry

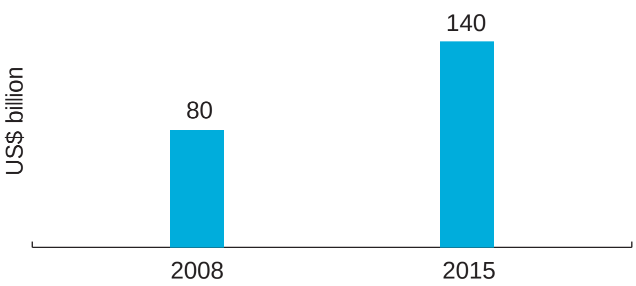


Source: IBEF research

Generics

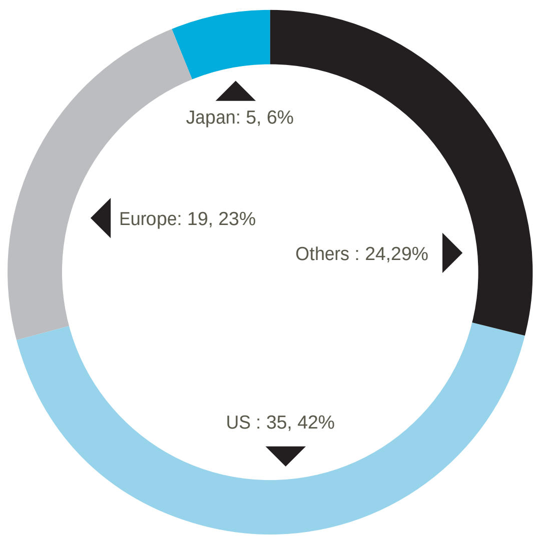
Globally the generics segment is expected to grow to about US$140 bn by 2015. Further healthcare reforms and cost saving initiatives coupled with an estimated US$150 bn valued patent expiry within the next five years is expected to drive this growth.

Global generics market



Source: IBEF research

Size of global market (geography-wise) 2009, US$ bn

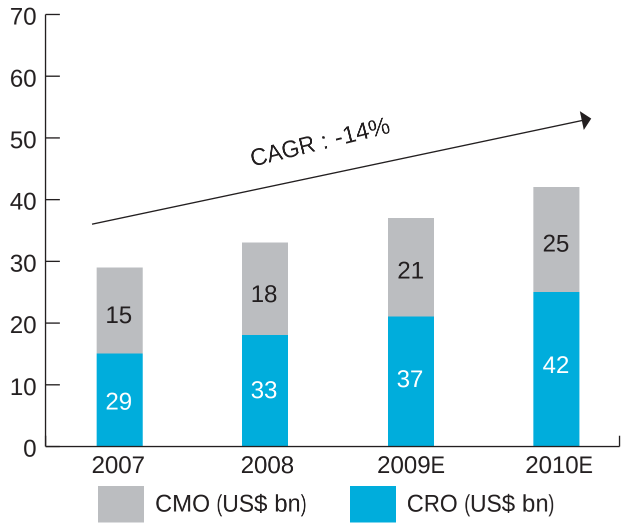


Source: Industry RCML Research

CRAMS

In 2008 the Indian pharmaceutical manufacturing outsourcing market was valued at US$1.1 bn and the segment is growing at thrice the global market rate. In India, API or intermediate sourcing at 64 per cent of total sourcing is more prevalent than formulation sourcing. According to industry estimates the global outsourcing market has grown at a CAGR of 14 per cent till 2009 to US$58 mn and is expected to register similar growth in 2010 (to approximately US$67 bn in 2010) and beyond. Basically the urgent need among global innovators is to protect their revenues as well as profitability is expected to prosper the global CRAMS industry. The CMO market size is estimated at approximately US$42 bn and CRO market size at approximately US$25 bn for 2010. US and Europe CRAMS industry has traditionally been catering to over 80 per cent of global pharma outsourcing business but they are no longer cost effective like the Indian/Chinese players. Hence, India and China (which put together accounts about 5-6 per cent of global pharma outsourcing business), having emerged as low cost contract research and manufacturing destinations, are believed to grab progressively a major chunk of the upcoming pharma outsourcing opportunities.

Global Outsourcing spend

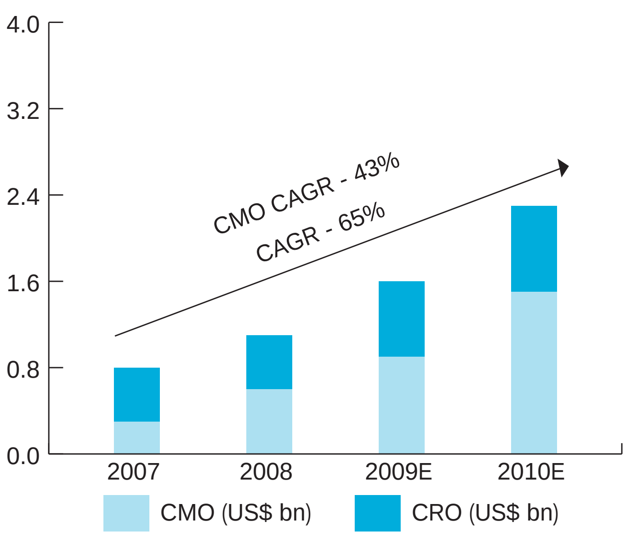


Source: OPPI & Emst & Young Report 2009

Opportunity for Indian CRAMS

According to industry sources the Indian contract manufacturing (CMO) market witnessed a compounded annual growth of 43 per cent till 2009 to approximately US$1.6 bn and the Indian contract research (CRO) market grew at a CAGR of 65 per cent to US$0.6 bn in 2009. Indian CRAMS industry (both contract manufacturing and contract research put together) accounted just about 4 per cent of global CRAMS opportunity in 2009 and is expected to grab 6 per cent in 2010 and 10 per cent in next five years time, which provides enough visibility for Indian CRAMS growth.

Indian CRAMS Trend



Source: OPPI & Emst & Young Report 2009

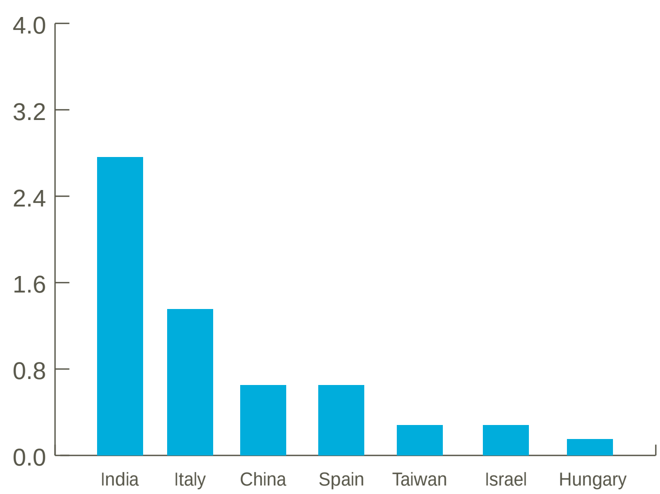
Advantage India

India is positively poised to capitalise on the emerging opportunities in the global pharmaceutical sector through its proficient contract research and manufacturing services supported by its low cost and world class quality standards proposition. According to a study by Ernst & Young, the total market for clinical research activities in India is expected to touch US$1.5 bn - US$2 bn by 2010. With pharmaceutical majors facing increased pressure on profit margins, spiraling R&D costs and rising overheads, outsourcing of clinical research processes to third parties in developing countries is a viable option. By contracting such work to India, savings of around 40 per cent to 60 per cent is achieved in new drug development.

Key complements to sectoral growth

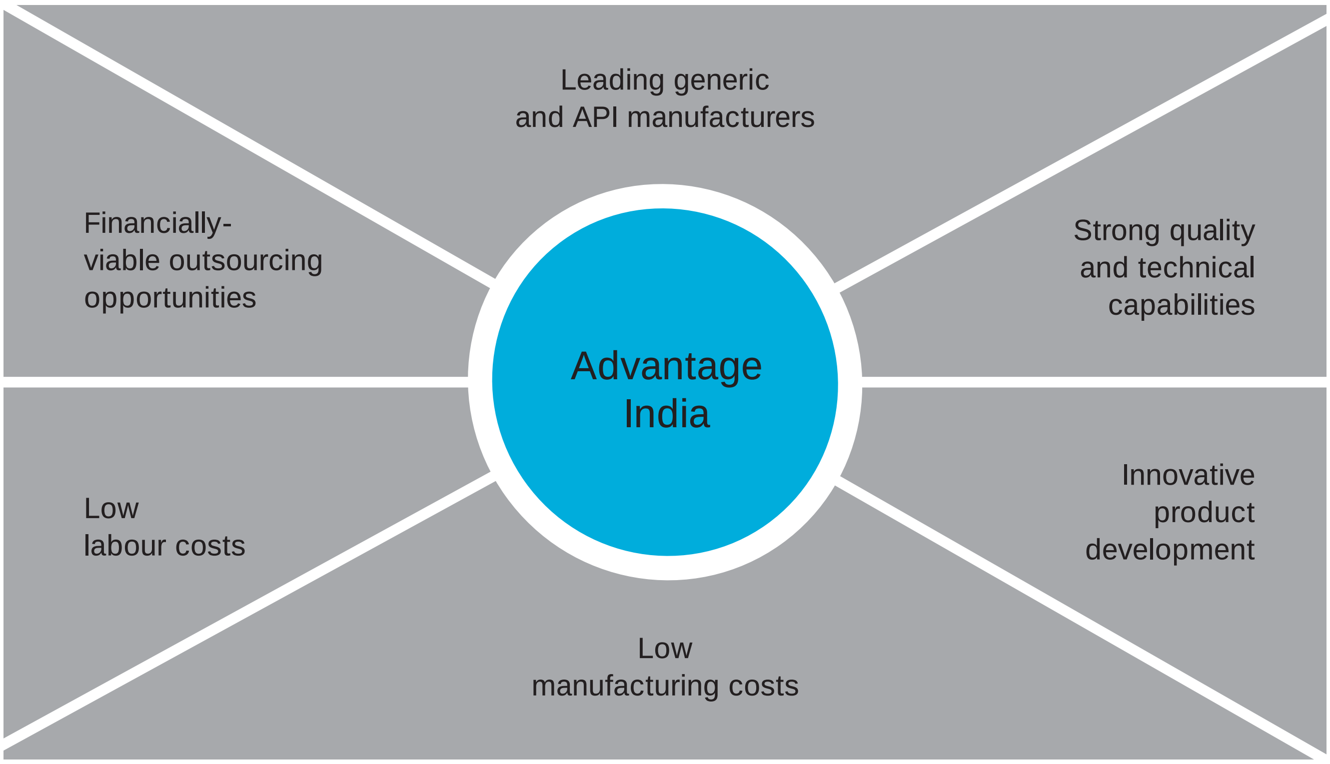
- India is competitively cost efficient as compared to other countries.
- Improved technical capability and constant upgradation of technology to manufacture quality products.
- Government support through initiatives like the PPP model to harness innovation capability with a vision to make India one of the top 5 pharma innovation hubs by 2020.

Number of USFDA approved facilities in select countries



Source: Industry RCML Research

- Clinical trials and R&D in India cost one-tenth and one-eighth respectively of that in the USA.
- India is the production hub for some of the world's least expensive drugs in the world as labour costs are 50-55 per cent lower than their western counterparts.
- India has the highest number of USFDA approved manufacturing plants outside the US and 84 UK MHRA-approved plants.

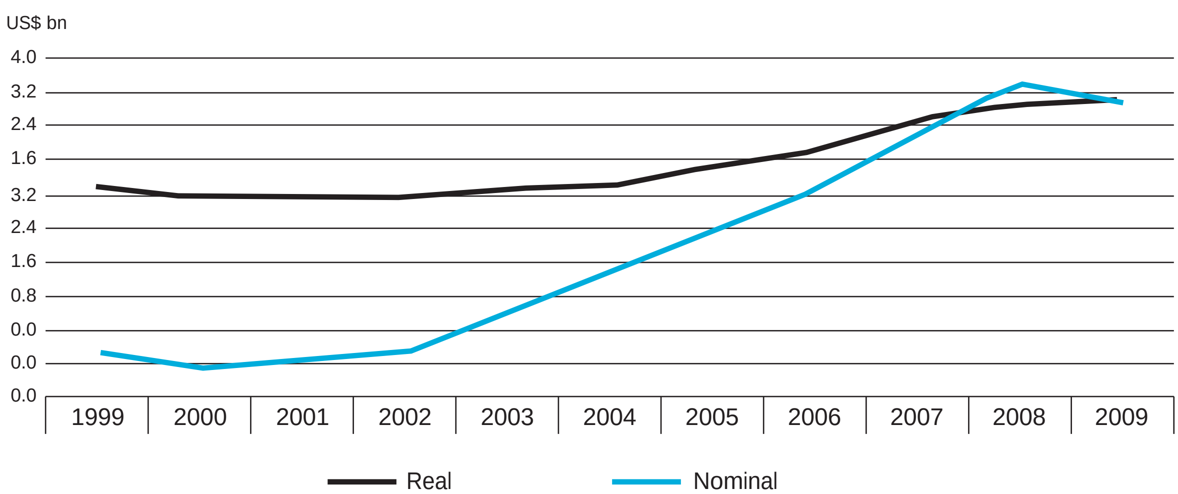


Source: IBEF research

Veterinary or Animal health industry

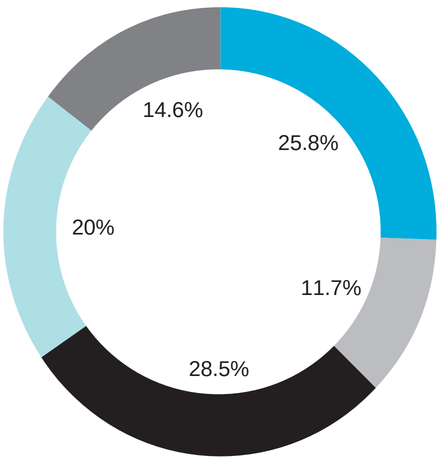
The animal healthcare industry globally is valued around US$18.6 bn in 2009 registered a real growth of 0.3 per cent. In the past decade, the industry has witnessed growth @CAGR 5.2 per cent (in nominal terms) and @CAGR 1.4 per cent (in real terms).

Global animal health market evolution



** Vetnosis Limited (2010)*

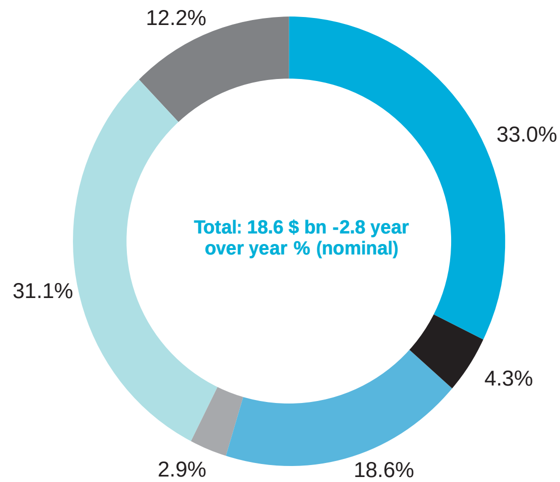
2009 Animal health market by product group



- Medicinal feed additives 2.2$bn 1.6 years over year % (nominal)
- Biologicals 4.7$ bn -0.3 year over year % (nominal)
- Anti-infectives 2.7$ bn -6.4 year over year % (nominal)
- Parasiticides 5.3 $ bn -2.6 year over year % (nominal)
- Other pharmaceuticals 3.7 $ bn -6.1 year over year% (nominal)

*Vetnosis Limited (2010)

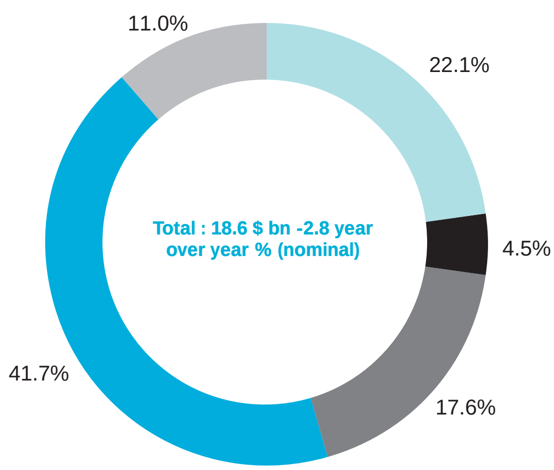
2009 Animal health market by region



- North America 6.1 $ bn -2.6 year over year % (nominal)
- Latin America 2.3 $ bn 0.7 year over year % (nominal)
- West Europe 5.8 $ bn -7.1 year over year % (nominal)
- East Europe 0.8 $ bn -9.6 year over year % (nominal)
- Far Europe 3.1 $ bn 4.4 year over year % (nominal)
- Rest of the world 0.5 $ bn 0.9 year over year % (nominal)

* Vetnosis Limited (2010)

2009 Animal health market by product species



- Cattle 4.7 $ bn -8.8 year over year % (nominal)
- Sheep 0.8 $ bn -8.7 year over year % (nominal)
- Pigs 3.3 $ bn 4.9 year over year % (nominal)
- Companion Animal / Other 7.8 $ bn -2.1 year over year % (nominal)
- Poultry 2.1 $ bn -0.2 year over year % (nominal)

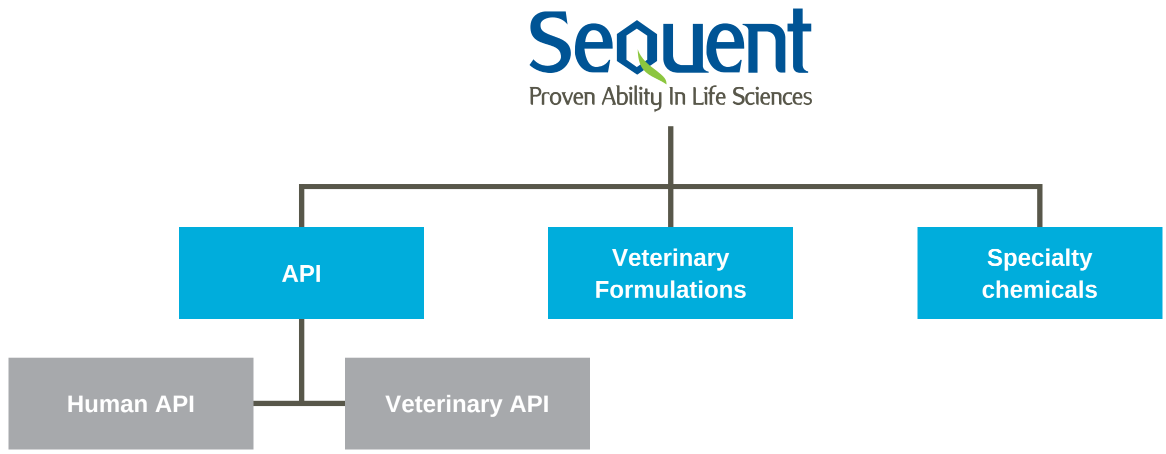
*Vetnosis Limited (2010)

CORPORATE PERFORMANCE REVIEW

Background

About the company

SeQuent Scientific Limited (hereinafter referred to as 'SeQuent') is a fast growing pharmaceuticals company having presence in Human and Veterinary segments. Established in 2007, the company has evolved into an integrated player in the pharmaceuticals segment, with footprints in API (Human and Veterinary), Formulations (Veterinary) and CRAMS. Besides, the company is also a leading producer of specialty chemicals. The company has five manufacturing facilities across the country and a state-of-the-art R&D centre in Mangalore. SeQuent is a leading producer of Anthelmentic APIs in the world.



The year 2009-10

The year 2009-10 was the year of consolidation for SeQuent. Being the first complete operational year post the acquisition of PI Drugs, the company's key focus was to create a sustainable business model. As a result the company undertook an exercise comprising of initiatives to strengthen its product portfolio, upgrade/modernise and consolidate its units, appointing key personnel across the verticals and creating a growth strategy for the coming years. The company also resumed its identity as 'SeQuent Scientific Limited' during the latter half of the year.

On the operational front, the company filed 14 DMFs (the highest in a year since inception), taking the total DMFs to 20. This marks the initiation of company's strategy to create a strong pipeline of promising products for the future. The company commercialised seven new products - Praziquantel, Lumefantrin, Warfarin, Ketosulfone , Nifuroxazide, Nitroscanate and s-methoprene.

The year 2009-10 also witnessed one of the worst outbreak of H1N1 virus-induced swine flu disease. This instigated large demand for antiviral drugs the world over. The company was amongst the largest manufacturers of Oseltamivir Phosphate, an active pharmaceutical ingredient used in antiviral drugs to combat Swine-flu.

Manufacturing locations

<table>
<tr><th>Facilities</th><th>Mangalore</th><th>Panoli</th><th>Ambernath</th><th>Tarapur</th><th>Mahad</th></tr>
<tr><td rowspan="3">Products</td><td>Niche APIs</td><td>Drug intermediate</td><td>APIs</td><td rowspan="3">APIs</td><td rowspan="3">Large volume APIs</td></tr>
<tr><td>Large volume APIs</td><td rowspan="2">Specialty chemicals</td><td rowspan="2">Animal Health Formulations</td></tr>
<tr><td>Advanced Drug Intermediates</td></tr>
<tr><td rowspan="3">Certifications</td><td>WHO pre-qualified</td><td rowspan="3">ISO 9001:2000 certified</td><td>cGMP facility</td><td rowspan="3">cGMP facility</td><td>cGMP facility</td></tr>
<tr><td>ISO 9001:2000</td><td rowspan="2">Certificate of Suitability from EU</td><td rowspan="2">Certificate of Suitability from EU</td></tr>
<tr><td>ISO 14001 certified</td></tr>
<tr><td>Salient features</td><td>Hydrogenation facility</td><td></td><td></td><td>Large volume catalytic hydrogenation facility</td><td></td></tr>
</table>

During the year under review, the company expanded capacities at its Mahad unit and also upgraded its Mangalore unit to meet USFDA standards. Three of the company's five units are cGMP certified, while two are ISO 9001:2000 certified. The company also received Certificate of Suitability from European Directorate for the Quality of Medicines & Healthcare for Albendazole for its Mahad and Ambernath units. At the same time, its Mangalore site was pre-qualified by WHO Geneva. The company's Mangalore unit is expected to undergo USFDA compliance audit in 2010-11.

SWOT Analysis

Strengths

- A business model comprising of promising verticals
- Presence in human as well as veterinary healthcare segment
- 20 DMFs filed
- Strong research, development and chemistry skills
- Qualified and expert team of professionals and management
- State-of-the-art units having flexible production capacity
- World-class R&D centre at Mangalore
- Continuous innovation and quality control
- Financially stable
- Has been upgrading infrastructure and expanding capacities in a planned manner to drive growth
- Preferred supplier to a world-class clientele

Weakness

- The Company is in a capital-intensive industry

Opportunities

- The domestic formulations market is expected to grow 12-14 per cent
- The size of the domestic pharma market is expected to surge to Rs. 640 bn from Rs. 354 bn (US$8 bn) in 2008-09.
- Contract manufacturing in India is expected to register 37 per cent CAGR and contract research segment is expected to grow four times
- Drugs worth more than US$130 bn (Rs. 5500 bn) are expected to come out of the patent.

Threats

- Higher competition from global players

Human Resources

The Company employed 673 people as on 31.03.2010 The Company believes in the highest standards of people management and personal growth. It instills in each of the members of the SeQuent family a feeling of ownership, responsibility and performance to the par of excellence in each of the operations pertaining to production and servicing. The Company aspires to set the highest standards of internationally benchmarked human resource practices which would be exemplary for other manufacturers.

Internal Control System

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has also appointed an independent Internal Auditor to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

RISK MANAGEMENT

Perception risk

The company's diverse business model can instill an unfavourable perception with the investors.

Risk mitigation

The company's business model comprise of business segments having unique growth potential. The company's presence in each of its business reflects its integrated strategy backed by common set of expertise and clients. Each business is led by a dedicated team of experienced professionals having relevant expertise in the business. Each business segment is a profit centre and is promising enough to mature into a standalone entity in future.

Revenue concentration risk

Veterinary business accounts for 46 per cent of the company's revenues and India accounts for more than 55 per cent of the company's revenues. The concentration of revenues in a particular business segment as well as geography is high.

Risk mitigation

Presently, the company has three business segments, with APIs accounting for 72 per cent of the company's revenues. With the growth in these verticals, the share of veterinary business as a percentage of total revenues has decreased from 56 per cent in 2008-09 to 45 per cent in 2009-10. In the coming years, the company expects each division to account for a third of the total revenues, thereby transforming each vertical into a growth-led business.

Competition risk

Competition from global as well as local players can hit the company's margins.

Risk mitigation

The company mitigates the competition risk by the following three ways:

1. Strengthening its knowledge and infrastructure: the company believes in hiring, retaining and continuously educating its knowledge base, comprising of highly educated resources. At the same time, the company also ensures consistent investments in infrastructure/ modernisation of units to develop new products
2. Focusing on the niche segments: the company has always focused on niche segments that attract higher margins, require specialised customisation skills and thereby attract lower competition
3. Long-standing client relationships: the company has forged longstanding relationships with marquee clients owing to its ability to deliver complex solutions and having superior quality standards.

Quality risk

Being a manufacturer of pharmaceutical products, any compromise with the product quality may not only result in financial loss but also render the company out of business.

Risk mitigation

The company has strict quality policy and is adhered to each employee across processes and business verticals. Each of our units is certified by credible authorities and has successfully passed key client audits. The quality consciousness also stems from the top management that comprise of reputed technocrats, doctors and scientists. A dedicated department in each unit takes care of stringent quality control and assurance practices at every product/ process level. As a result of such stringent practices, the company caters to marquee clients of global stature.

Environment and safety risk

Non compliance with environment protection policies or safety related issues could dent operation and can also impair quality standards.

Risk mitigation

The company lays a great emphasis on proactive environment and health safety compliance. A dedicated EHS Policy is formulated and strictly adhered to protect its employees, the environment and the public at every stage of its business activity. The company's facilities are designed to minimise adverse impact to people and the environment. Environment Management Systems are in place at each site to continuously monitor progress in this area.

Other risks

Apart from the risks mentioned above, the company's business is exposed to other operating risks, which are mitigated through regular monitoring and corrective action.

FINANCIAL REVIEW

The superior performance of the Company in 2009-10 is reflected in its numbers - the topline, bottomline and profitability.

(Rs. mn)

	2009-10	2008-09	Growth (%)
Total revenue	2,463	1,061	132%
EBIDTA	674	139	385%
Profit before tax	304	55	453%
Profit after tax	208	35	494%
Earnings per Share (Basic) Rs.	9.79	3.17	209%
Net worth	1,159	596	94%
Fixed assets (Gross Block)	1,504	569	164%

Key derivates

EBIDTA margin
27%

Return on net worth
18%

NET margin
8%

Interest cover
4.6

Return on capital employed
27%

Revenue

During the financial year under review, the company's total income increased by 135 per cent to Rs. 2,536 mn. The company's revenue was derived from domestic and exports operations. The company's revenue proportion of domestic and exports sales were 56 per cent & 44 per cent in 2009-10 as against 45 per cent & 55 per cent in 2008-09. The exports increased by 17 per cent from Rs. 923 mn in 2008-09 to Rs. 1,083 mn in 2009-10. The domestic turnover increased by 77 per cent, from Rs. 779 mn in 2008-09 to Rs. 1,381 mn in 2009-10.

Exports

The company derived 44 per cent of its total sales from exports markets. During the year under review, the export revenues increased by 17 per cent from Rs. 923 mn in 2008-09 to Rs. 1,083 mn in 2009-10. Europe accounted for 60 per cent of the total exports.

Margins

The Company strengthened its EBIDTA margin by 14 per cent from 13 per cent in 2008-09 to 27 per cent in 2009-10. Correspondingly the Company's post tax profit margin strengthened from 3 per cent in 2008-09 to 8 per cent in 2009-10. The improved margins were the result of focusing on high margin products and cost efficient processes.

Loan Profile and funding cost

The total debt on the Company's books increased from Rs. 491 mn as on March 31, 2009 to Rs. 1,367 mn as on March 31, 2010. 41 per cent of the secured loans consisted of working capital loans, mainly taken by the company to cater to the working capital needs as a result of increase in revenues.

Capital Expenditure

During 2009-10, the Company invested Rs. 304 mn in capacity building, up gradation of manufacturing sites to USFDA/cGMP levels and for development of new products.

Non-business investments

During the year under review, the Company acquired three new companies – Vedic Elements Private Limited, SeQuent Research Limited and Sanved Research Labs Private Limited. In addition the company also made investments into its subsidiary Galenica B.V. towards acquisition of Codifar N.V.

OUTLOOK

The company has completed its consolidation phase and is ready to exploit strengths in every business vertical. Being a preferred supplier to a globally reputed clientele, the company will foray and strengthen its presence in the marketplace.

APIs

As a strategy to further strengthen its product profile in Human APIs, the company has announced its expansion plans to set up dedicated units for its foray into high-growth therapeutic segments like Phyto-Pharmaceutical & Herbal Extract, Oncology, Penems and Penicillins. The estimated budget for the expansion is Rs. 1.5 bn, to be expended in the next three years.

In animal health APIs, new products are being developed so as to increase its share in the market both regulated and less regulated.

Veterinary Formulations

The company expects a healthy growth in the veterinary formulations business. It is now fairly well settled in the African markets in the segment; it is progressing towards expanding its network in CIS countries and also in India. On the other hand, the company is also expanding its product pipeline to cater to the regulated markets, especially w.r.t. products going off-patent. In this regard, the company's formulation unit in Ambarnath is undergoing expansion cum modernisation programme to conform to EU/USFDA regulatory standards.

Specialty chemicals

The company has been a leading entity in this industry. Owing to its ability to offer customised products and large volumes in polymer additive related products, the company has emerged as a preferred supplier to key players in the industry. Going forward, the company expects strong growth in the segment owing to its ability to develop and manufacture new products.

CRAMS and Analytical services

During 2009-10, there were series of developments that took a toll on the global CRAMS industry. These factors included recession-led issues like rationalisation of inventory, cut in research spent by global innovators, cancellation and postponement in customs manufacturing decisions on account of big pharma mergers and slowing USFDA approvals. However, despite the hazy near term outlook on account of liquidity pressures being faced by large pharma companies globally, the Indian pharma is expected to grow @ CAGR of 20-25 per cent, boosted by improving mix towards high end research services, biologics and complex technology services.

Amidst the opportunities, the company being a growing CRAMS provider and having capability, capacity and competence to undertake and address outsourcing needs in APIs, Drug intermediates and specialty chemicals, is expected to benefit from the industry's growth in the coming years.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

A. MANDATORY REQUIREMENTS:

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 in totality. Hence, considerable emphasis is placed on accountability in decision-making and ethics in implementing them.

Adequate and timely information is critical to accountability. M/s SeQuent Scientific Limited believes in sharing all the information about its operation with its shareholders. The objective is achieved by communication through the Annual Report or through appropriate press releases issued from time to time.

2. Board of Directors:

The composition of Board of Directors of the company is an appropriate combination of Executive and Non executive Directors with right element of independence. As on date the Board consists of Five Directors. More than fifty percent of the Board consists of Non-Executive Independent Directors.

Sl No.	Name of Director	Category of Directorship	Number of Other Directorships #1	Total Number of Membership(s) In Other Board Committees #2
1.	Mr. K R Ravishankar	Promoter, Executive	3	1
2.	Dr. Gopakumar G Nair	Independent, Non-Executive	3	2
3.	Mr. Joe Thomas	Independent, Non-Executive	2	2
4.	Mr. Kannan Ramanujam	Independent, Non-Executive	2	NIL
5.	Mr. S.N. Jagannath*	Professional/ Executive	NIL	NIL
6.	Dr. Gautam Kumar Das**	Professional/ Executive	NIL	NIL

#1 Excludes directorships in Indian Private Limited Companies, Foreign Companies, Membership of Managing Committees of various bodies.

#2 Includes Chairmanships, memberships of Audit Committee & Shareholders Grievance Committee only.

* Resigned with effect from Jan. 25, 2010.

** Joined the Board with effect from Jan. 7, 2010.

None of the directors are related to any other Directors.

Attendance of Each Director at the Board Meetings And The Last Annual General Meeting:

During the financial year ended 31st March 2010, EIGHT (8) Board Meetings were respectively held on 14th May 2009, 22nd June 2009, 31st July 2009, 22nd September 2009, 29th October 2009, 7th January 2010, 27th January 2010 and 29th March 2010. The attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) is as under:

Sl No.	Name of the Director	Number of Board Meetings Attended	Attendance at last AGM held on Sep. 4, 2009
1	Mr. K R Ravishankar	8	Present
2.	Dr. Gopakumar G Nair	5	Present
3.	Mr. Joe Thomas	5	Absent
4.	Mr. Kannan Ramanujam	6	Present
5.	Mr. S.N. Jagannath	5	Absent
6.	Dr. Gautam Kumar Das	3	Not Applicable

3. Audit Committee:

Broad 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, 1956 and those of the Listing Agreement.

The Audit Committee has the following responsibilities/ powers

- Overseeing the Company's overall financial reporting process and to ensure that financial statements are correct, sufficient and credible.
- Reviewing with management, the quarterly and annual financial statements, before submitting to the Board, with primary focus on accounting policies and practices and compliance therewith, stock exchange requirements and other legal requirements concerning financial statements.
- Reviewing the adequacy of the internal control system, internal audit and their reports.

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of Section 217 of the Companies Act, 1956.

   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. Qualifications 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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, if any.
13. To seek information from any employee;
14. To obtain outside legal or other professional advice;

15. To secure attendance of outsiders with relevant expertise if it considers necessary

Composition of Audit Committee:

The Audit Committee is comprised of FOUR Directors, majority of them being Non-Executive Independent Directors. The heads of Finance & Accounts and the representative of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee. The Company Secretary is the Secretary to the Committee. Mr. Kannan Ramanujam, a Non-Executive Independent Director is the Chairman of the Committee.

Meetings and Attendance:

During the financial year ended 31st March 2010, five Audit Committee Meetings were held respectively on 14th May 2009, 22nd June 2009, 31st July 2009, 27th October 2009 and 27th January 2010.

SN	Member	No. of meetings attended
1.	Mr. Kannan Ramanujam	5
2.	Dr. Gopakumar G Nair	4
3.	Mr. Joe Thomas	4
4.	Mr. K R Ravishankar	5

Internal Auditors

Board has appointed M/s Mahajan & Aibara, Chartered Accountants as internal auditors of the Company. The reports of internal auditors are regularly being placed before the Audit Committee.

4. Remuneration Committee:

The Remuneration Committee is comprised of Three Directors, all being Non-Executive Independent Directors. Mr. Joe Thomas is the Chairman of the Committee.

Remuneration Policy:

The Remuneration Committee recommends the compensation package of Executive Directors. The Managing Director and other Whole time Directors are paid remuneration within the pay scales as approved by the members at their meetings. Their remuneration comprises of basic salary, house rent allowance, perquisites, contribution to provident fund, gratuity and leave salary.

The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. Currently the Company has not implemented the stock option plan and there is no performance linked incentives for its Directors.

During the financial year 2009-10 three meetings of Remuneration Committee were held respectively on 22nd June 2009, 7th January 2010 and 27th January 2010.

Attendance of the current Remuneration Committee members are as follows:

SN	Member	No. of meetings attended
1.	Mr. Joe Thomas	3
2.	Dr. Gopakumar G Nair	2
3.	Mr. Kannan Ramanujam	2

Details of Remuneration to all Directors for the year ended 31st March 2010:

(Rs. In Millions)

Name of the Director	Salary	Benefits	Bonus	Sitting Fees	Total
Mr. K R Ravishankar (Managing Director)	10.80	7.20	-	-	18.00
Mr. Joe Thomas	-	-	-	0.10	0.10
Dr. Gopakumar G Nair	-	-	-	0.10	0.10
Mr. Kannan Ramanujam	-	-	-	0.12	0.12
Mr. S.N. Jagannath (Executive Director)	0.495	0.633	0.068	-	1.196
Dr. Gautam K Das (Executive Director)	3.24	0.135	-	-	3.375

5. **Share Transfer & Investors Grievance Committee:**

The Share Transfer & Investor Grievance Committee is comprised of Three Directors, all being Non-Executive Independent Directors. Mr. Joe Thomas is the Chairman of the Committee.

As the Company has appointed M/s. Adroit Corporate Services Pvt. Ltd as its Share Transfer Agent, the Share Transfer & Investor Grievance Committee holds meetings only occasionally when requirement arises. During the year no meeting was held. For the purpose of approval of Share Transfer, Mrs. Lata Varshney, Company Secretary has been authorized to do the needful. During the year the Company and its Registrar and Share Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd. has not received any complaint from shareholders.

6. **Secretarial Audit & Compliances:**

The Company is regular in obtaining Secretarial Audit Report pursuant to SEBI Circular No. D&CC/FITTC Cir-16/2002 Dt. 31.12.02 and Certificate under Clause 47(c) of the Listing Agreement from a Company Secretary in Practice and submitting the same to the Bombay Stock Exchange, whereat its securities are listed, within stipulated time.

7. **Compliance Officer:**

The Board has designated Mrs. Lata Varshney, Company Secretary as the Compliance Officer.

8. **Subsidiary Company:**

The Company is having following as its subsidiary companies:

1. SeQuent Global Holdings Limited
2. SeQuent European Holdings Limited (step-down subsidiary)
3. SeQuent IPCO GmbH (step-down subsidiary)
4. Vedic Elements Private Limited
5. Vedic Fanxipang Pharma Chemic Company Limited, Vietnam(step-down subsidiary)
6. SeQuent Research Limited
7. Sanved Research Labs Private Limited
8. Galenica B.V. (subsidiary)
9. Codifar N.V. (wholly owned subsidiary of Galenica B.V.)

None of the subsidiary is a material subsidiary.

9. **CEO/CFO Certificate:**

A certificate given by the Managing Director and the Vice President Finance & Accounts was placed before the Audit Committee and the Board. The Certificate verifies that according to the best knowledge and belief of Managing Director & Vice President Finance & Accounts there was no transaction entered into by the Company during the year which was fraudulent, illegal or violating to the Company's Code of Conduct.

10. **General Body Meetings:**

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of Meeting	Time
2006-2007	17.09.2007	Hotel Royal Inn Gokul Nagar, Thane (W).	10.00 a.m.
2007-2008	15.09.2008	Hotel Tunga Regency, Vashi, Dist. Thane.	11.30 a.m.
2008-2009	04.09.2009	Hotel Royal Inn Gokul Nagar, Thane (W).	10.30 a.m.

Details of Special resolutions passed in Annual/Extra-Ordinary General Meetings held during the last three years:

Date	Meeting	Subject matter
15.05.2006	EGM	1. Allotment of Convertible warrants on preferential basis. 2. Re-classification of Authorized Capital and consequent alterations in Memorandum & Articles of Association of the Company.
30.09.2006	AGM	Increase in Authorized Capital and consequent alterations in Memorandum & Articles of Association of the Company.
23.02.2007 & 02.03.2007	EGM and adjournment thereof	Issue and allotment of up-to 30,00,000 Equity Shares to the promoters on Preferential basis.
17.09.2007	AGM	Appointment(s) of relative(s) of Director to hold a place of profit in the subsidiary of the Company.
25.03.2008	Postal Ballot	1. Approval of Scheme of ESOP. 2. Approval of ESOP for employees of Subsidiary. 3. Revision in Remuneration of Mr. L N Bhat, Managing Director.
15.09.2008	AGM	Revision in Remuneration of Managing Director.
03.01.2009	Court Convened Meeting	Approval of Scheme of amalgamation of M/s SeQuent Scientific Limited with the Company.
04.09.2009	AGM	Appointment and remuneration of Mr. K R Ravishankar, Managing Director

11. Postal Ballot:

During the year ended on 31.03.2010 no resolution was passed through the Postal ballot process.

12. 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.

(ii) The Company has complied with the requirements of the Stock Exchanges, 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 and adoption of non-mandatory requirements as per Annexure 1D of Clause 49 of the listing agreement.

13. Employee Stock Options:

Company has framed an Employee Stock Option plan to reward its employees. It is proposed to grant options under the said plan through Trust that has been established by the Company for the purpose having independent directors as its trustees. The Plan was approved by the shareholders on 28.03.2008, however Board in its meeting has modified some of the provisions of ESOP Plan. Modified ESOP Plan was approved by the shareholders on 24.05.2010 through Postal Ballot. Under the said plan company has allotted 700,000 equity shares of Rs. 10/- each to the Trust at a price of Rs. 113/- per share.

14. Means Of Communication:

(a) The quarterly results are forthwith communicated to BSE, The Stock Exchange, Mumbai with whom the Company has listing agreements as soon as they are approved and taken on record by the Board of Directors of the Company. The results are published in the newspapers namely The Free Press Journal (English) and Nav-Shakti (Marathi). Further the result and Share Holding Pattern were also posted by the Company at the web-site of SEBI under EDIFAR, till that site was working.

(b) Management Discussion and Analysis Report forms part of the Annual Report, which is being posted to the shareholders of the Company along with the Annual Report.

15. General Shareholder Information:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

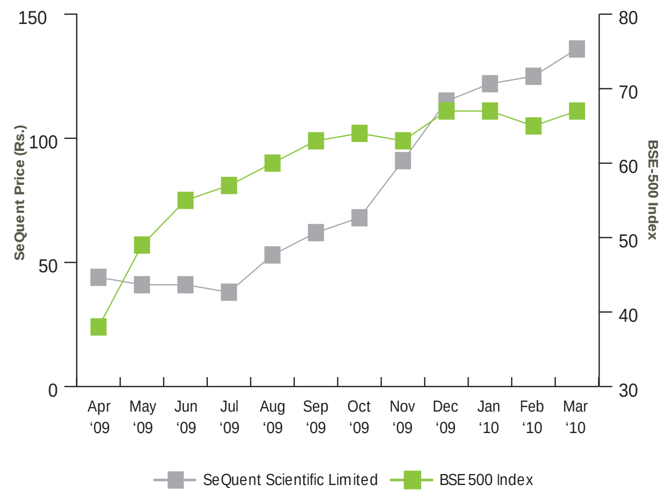
Shareholders Information Section:

1. Information about Annual General Meeting:

AGM DATE	TIME	VENUE
September 27, 2010	11.00 AM	Hotel Satkar Residency, Pokhran Road No.1, Opp Raymond, Thane (W)- 400 606

2. Financial Calendar: April 1 - March 31.
3. Date of Book Closure: From September 27, 2010 to September 30, 2010 (both days inclusive).
4. Dividend Payment Date: October 4, 2010
5. Listing on Stock Exchanges with Stock Code: The Bombay Stock Exchange Limited, Mumbai. (Stock Code. 512529).
6. Market Price Data (High, Low during each month in financial year 2009-10:

Month	High (Rs.)	Low (Rs.)
April 09	47.20	40.50
May 09	42.20	36.70
June 09	44.80	36.15
July 09	42.00	34.85
August 09	75.75	36.55
September 09	70.40	58.30
October 09	73.20	59.30
November 09	106.25	74.05
December 09	128.70	102.75
January 10	160.00	111.80
February 10	149.70	117.00
March 10	159.40	125.15



7. Company has not issued any debenture so the rating from CRISIL or other agency is not required to obtain.
8. Registrar and Transfer Agent:

   M/s. Adroit Corporate Services Pvt. Ltd.

   19, Jaferbhoy Industrial Estate, 1st Floor,

   Makwana Road, Marol Naka, Andheri (E),

   Mumbai – 400 059.

   Contact Person: Mr. Pratap Pujare

   Phone No. 022-2859 6060
9. Share Transfer System: Company's Securities are under compulsory demat mode of transfer.
10. Code of Conduct:

    The Board has prescribed Code of Conduct ("Code") for all Board Members and Senior Management of the Company, which is also put on the website of the Company.

    All Board Members and Senior Management personnel have confirmed compliance with the Code for the year 2009-10. A declaration to this effect signed by the Chief Executive Officer and the Vice President – Finance & Accounts of the Company forms part of the CEO/CFO Certificate

11. Shareholding of Directors as on March 31, 2010

    Dr. G. G. Nair – Non Executive, Independent Director - 23348 Shares.

12. Distribution Schedule and Shareholding Pattern of Equity Shares as on March 31, 2010 are enclosed as Annexure-1.

    a. Dematerialization of shares and liquidity:

       The Company's shares are compulsorily traded in dematerialized form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrars, Adroit Corporate Services Pvt Ltd. As on 31st March 2010 91.44% of the paid-up share capital of the Company representing 20,058,119 shares have been Dematerialized.

14. Outstanding GDRs/ADRs etc.: Not Applicable.

15. Plant Location:

    1. Plot No. 7, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath
    2. W-152, MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.
    3. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad.
    4. A-68, Additional Ambernath, MIDC Indl. Area, Ambernath (East), Dist. Thane.
    5. Plot No. 150, 151, 136, 141 MIDC, Tarapur, Boisar, Thane
    6. 120 A & B Industrial Area, Baikampady, New Mangalore
    7. Plot No. 26, 26B, GIDC Industrial Estate, Panoli, Dist. Bharuch
    8. A-14, MIDC, Phase I, Dombivali (E), Dist. Thane
    9. Plot No. 11, KIADB Industrial Area, Centre Jigani, Anekal, Bangalore
    10. Plot No. SPL 9 & 15 Kumta Industrial Area, Hegde Road, Kumta

16. Address for correspondence:

    Mrs. Lata Varshney, Company Secretary
    M/s SeQuent Scientific Limited
    116, Vardhaman Industrial Complex,
    L.B.S. Marg, Thane (W) – 400 601.
    Phone No. 022-2547 8601
    Email : pidsecretarial@yahoo.co.in.

17. EDIFAR Filing: Company was regular in filing the information on the SEBI web-site under EDIFAR filing Scheme till the date it was functional.

16. Related Party Transaction:

Summary of Related Party Transaction is given in Notes to Accounts (Refer Note No. 13)

B. Non-Mandatory Requirements:

1. Chairman Of The Board:

The Managing Director of the Company is presiding over the Board Meetings as its Chairman.

2. Remuneration Committee:

Please refer Item No.4 under the heading 'Mandatory Requirements'.

3. Shareholder Rights:

As the Company's quarterly financial results are published in English newspapers having circulation all over India and in a Marathi newspaper widely circulated in Maharashtra, the same are not sent to each household of shareholder.

ANNEXURE 1

A. Distribution Schedule of Equity Shares as on March 31, 2010:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
1 to 500	1,209	76.67	188,846	0.86
501 to 1000	141	8.94	119,375	0.54
1001 to 2000	69	4.38	111,248	0.51
2001 to 3000	43	2.72	111,778	0.51
3001 to 4000	18	1.14	66157	0.30
4001 to 5000	8	0.51	38700	0.18
5001 to 10000	30	1.90	237,700	1.08
10001 & above	59	3.74	21,061,387	96.02
TOTAL	1,577	100.00	21,935,191	100.00
Physical Mode	8	0.51	1,877,072	8.56
Electronic Mode	1,569	99.49	20,058,119	91.44

B. Shareholding pattern of Equity Shares as on March 31, 2010:

Category	No. of shareholders	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	4	15,049,638	68.61
Other Directors, their relatives	1	23,348	0.11
Bodies Corporate (Domestic)/Trusts	145	2,680,701	12.22
Banks / Mutual Funds/ Financial Institutions (FIs)	Nil		
Foreign Institutional Investors (FIIs)	Nil		
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/Overseas Corporate Bodies (OCBs)/ Foreign Banks	15	1,173,904	5.35
Resident Individuals	1,411	2,307,600	10.52
TRUST constituted to implement ESOP	1	700,000	3.19
TOTAL	1,577	21,935,191	100.00

Disclosure Pursuant to Clause 32 of The Listing Agreement:

Summary of Loans and Advances in the nature of loans given to subsidiary, associates and others is given in Notes to Accounts [Refer Note No. B (13)]

Chief Executive Officer and Chief Financial Officer (CFO) Certification

We, K R Ravishankar, Managing Director & N. Rajaraman, Vice President (Finance & Accounts) of SeQuent Scientific Ltd. certify that:

1. To the best of our knowledge and belief, we have reviewed the Balance Sheet and Profit and Loss account along with all its schedule and notes on Accounts, Cash Flow statement and the Directors report for the year 2009-10.
2. To the best of our knowledge and belief, these statements do not contain any untrue statement of a material fact or any omission to state a material fact on the statements made;
3. To the best of our knowledge and belief, the financial statements and other financial information contained thereon in this report, present a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for the period ending 31st March 2010. These statements and other information presented in the report are in compliance with the existing accounting standards and applicable laws and regulations as on the closing date;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are in contravention with the applicable laws and regulation, fraudulent, or in breach of the Company's code of conduct;
5. To the best of our knowledge and belief, we are responsible for establishing and maintaining controls and procedures on disclosure as well as internal control over financial reporting for the Company, and we have:
   a) designed such controls and procedures so as to ensure the material information relating to the Company are made available to us by others within those entities, during the period in which this report is being prepared;
   b) designed such internal control over financial reporting with a view to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Company's disclosure, controls and procedures;
6. We further declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.
7. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the company's auditors and through them to the audit committee of the Company's Board of Directors:
   (a) No significant deficiency in the design or operation of internal controls was observed.
   (b) There was no significant change in internal control during the year.
   (c) No fraud came into our knowledge involving Management or other employees who have significant role in the Company's internal control systems.
   (d) There was no significant change in accounting policies during the year that required to be disclosed in the notes to the financial statements.

Place : Thane	**(K R Ravishankar)**	**(N. Rajaraman)**
Date : May 22, 2010	Managing Director	Vice President (Finance & Accounts)

Certificate

To the Members of SeQuent Scientific Limited (formerly known as P I Drugs & Pharmaceuticals Ltd)

We have examined the compliance of conditions of corporate governance by SeQuent Scientific Limited (‘the Company’), for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the said stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above- mentioned Listing Agreement.

We further 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
Registration No. 008072S

V. SRIKUMAR
Partner
Membership No. 84494

Place : Bangalore
Date : Aug 13, 2010

AUDITORS' REPORT

To The Members of
SEQUENT SCIENTIFIC LIMITED
(Formerly known as P I Drugs & Pharmaceuticals Limited)

1. We have audited the attached Balance Sheet of SEQUENT SCIENTIFIC LIMITED ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:

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

   (ii) 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;

   (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)
V. Srikumar
Partner
(Membership No.84494)

Bangalore, May 28, 2010

ANNEXURE to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses i(c), iii (d), (f) & (g), vi, viii, x, xii, xiii, xiv, xviii, xix and xx of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 noticed on such verification.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted loans aggregating Rs. 180 Mio to 3 parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs.76.04 mio and the maximum amount involved during the year was Rs.126.10 Mio (number of parties 3).

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.

(c) The receipts of principal amounts and interest have been regular/as per stipulations.

(v) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(vi) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) 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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in Million)
Maharashtra Value Added Tax Act, 2002 & Central Sales Tax act, 1956	Value Added tax and Central Sales tax	Deputy Commissioner of Sales Tax	A.Y. 2006-2007	9.02
Income-tax Act, 1961	Income-tax	Commissioner, Income Tax (Appeals), Mumbai	A.Y. 2007-2008	3.99
Income-tax Act, 1961	Income-tax	Commissioner, Income Tax (Appeals), Mumbai	A.Y. 2006-2007	1.98

(x) In our opinion and according to the information and explanations given to us, there have been delays in repayment of dues to banks during the year and the period of such delays range from 1 to 70 days with dues aggregating to Rs. 87.95 Million (including interest on delayed repayments). There was no overdue outstanding as at year end.

(xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained except for a term loan of Rs. 50 mio which was not utilized for the purpose for which it was obtained.

(xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiv) 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 has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)
V. Srikumar
Partner
(Membership No.84494)

Bangalore, May 28, 2010

BALANCE SHEET as at March 31, 2010	Schedules	**March 31, 2010**	(Rs. In Million) March 31,2009
I. SOURCES OF FUNDS			
1. Shareholders' funds			
a) Share capital	A	212.35	110.85
b) Reserves & surplus	B	946.29	485.07
		1,158.64	**595.92**
2. Loan funds	C		
a) Secured loans		1,306.12	486.08
b) Unsecured loans		61.03	5.19
		1,367.15	**491.27**
3. Deferred tax liability (Net)		87.46	24.16
(Refer Note 14 of Schedule O)			
Total		**2,613.25**	**1,111.35**
II. APPLICATION OF FUNDS			
1. Fixed assets	D		
a) Gross block		1,504.13	568.97
Less : Accumulated depreciation		324.64	117.25
Net block		1,179.49	451.72
b) Capital work-in-progress & advances		210.29	28.99
		1,389.78	**480.71**
2. Investments	E	453.86	240.82
3. Current assets, loans and advances	F		
a) Inventories		466.67	218.64
b) Sundry debtors		454.74	195.94
c) Cash & bank balances		124.65	39.79
d) Loans and advances		517.38	181.64
		1,563.44	**636.01**
Less: Current liabilities & Provisions	G		
a) Current liabilities		578.04	159.82
b) Provisions		215.79	86.37
		793.83	246.19
Net current assets		769.61	389.82
Total		**2,613.25**	**1,111.35**
Significant Accounting policies and Notes on accounts	O		
The Schedules referred to above and significant accounting policies and notes thereon form an integral part of the Balance Sheet			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das	**Ravishankar K R**	**Lata Varshney**
Executive Director	*Chairman & Managing Director*	*Company Secretary*

PROFIT & LOSS ACCOUNT
for the year ended March 31, 2010

(Rs. In Million)

	Schedules	March 31, 2010	March 31,2009
I. INCOME			
1. Sales	H	2,463.35	1,060.62
2. Other income	I	72.87	17.92
Total		**2,536.22**	**1,078.54**
II. EXPENDITURE			
1. Materials consumed	J	1,114.60	562.56
2. (Increase)/Decrease in stock	K	(77.22)	(55.09)
3. Personnel cost	L	202.05	87.31
4. Operating and other expenses	M	623.07	345.05
5. Finance charges	N	187.31	41.93
Total		**2,049.81**	**981.76**
III. PROFIT BEFORE DEPRECIATION, AMORTISATION, EXCEPTIONAL ITEMS & TAX		**486.41**	**96.78**
6. Depreciation & Amortisation	D	125.22	41.44
IV. PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**361.19**	**55.34**
7. Diminution in investment in subsidiaries		57.50	-
V. PROFIT BEFORE TAX		**303.69**	**55.34**
Less: Provision for tax			
- MAT		65.00	18.32
- Deferred [Net]		87.46	0.74
- Fringe Benefit Tax		-	1.10
- MAT Credit entitlement		(56.70)	-
VI. PROFIT AFTER TAX		**207.93**	**35.18**
Balance brought forward		129.24	108.03
Included on Amalgamation		24.53	-
VII. PROFIT AVAILABLE FOR APPROPRIATIONS		**361.70**	**143.21**
VIII. APPROPRIATIONS			
Proposed dividend on equity shares		42.47	11.09
Tax on proposed equity dividend		7.22	1.88
Transfer to general reserve		15.59	1.00
Balance carried forward to Balance sheet		296.42	129.24
IX. Total		**361.70**	**143.21**
XII. EARNINGS PER SHARE			
(Refer Note 24 of Schedule O)			
(Face value of Rs.10 each)			
- Basic (in Rs.)		9.79	3.17
- Diluted (in Rs.)		9.79	3.17
Accounting policies and Notes on accounts	O		
The Schedules referred to above and significant accounting policies and notes thereon form an integral part of the Profit & Loss Account			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das	**Ravishankar K R**	**Lata Varshney**
Executive Director	*Chairman & Managing Director*	*Company Secretary*

CASH FLOW STATEMENT for the year ended March 31, 2010		**For the Year ended March 31, 2010**	For the Year ended March 31, 2009
			(Rs. In Million)
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		303.69	55.34
Adjustments for:			
Depreciation and amortisation		125.22	41.44
Bad debts & provision for doubtful debts		21.30	1.42
Unrealised forex Gains		(13.13)	(1.15)
Impairment in Investment		57.71	1.43
Loss/(Profit) on sale of assets		(0.56)	0.90
Interest Expenses		159.93	41.94
Dividend income		(0.01)	-
Interest income		(13.97)	(14.78)
Profit on Sale of Investment		(11.96)	(0.24)
Operating profit before working capital changes		**628.22**	**126.30**
CHANGES IN WORKING CAPITAL			
(Increase)/Decrease in Trade and other receivables		(247.01)	104.33
(Increase)/Decrease in Inventories		(155.62)	(59.12)
Increase/(Decrease) in Trade and other payables		92.21	(52.39)
Net change in working capital		**(310.42)**	**(7.18)**
Cash generated from operations		**317.80**	**119.12**
Direct taxes paid		(20.37)	(13.05)
Net cash from Operating Activities	A	297.43	106.07
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets / CWIP		(239.39)	(64.54)
Sale of Fixed assets		3.71	1.24
Investment in subsidiaries / Joint Ventures		(145.70)	(237.23)
Purchase of short term investment		(3.94)	-
Sale of Long term Investments		125.49	-
Sale of other investment		2.50	6.50
Loan given to affiliates (Net)		(50.00)	0.10
Interest received		9.30	3.74
Dividend Received		0.01	-
Net cash used in Investing Activities	**B**	**(298.02)**	**(290.19)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		343.70	157.76
Share Issue Expenditure		(3.94)	-
Proceeds from / (Repayment of) of long term borrowings		(95.56)	81.97
Interest paid on borrowings		(160.20)	(39.73)
Dividend paid		(11.09)	(13.87)
Dividend distribution tax paid		(1.88)	(2.36)
Net cash generated from Financing Activities	**C**	**71.03**	**183.77**
Net Increase/(Decrease) in cash and cash equivalents during the year	**(A+B+C)**	**70.44**	**(0.35)**
Cash and cash equivalents as at 31.03.2009		39.79	40.14
Included on amalgamation		14.42	-
Cash and cash equivalents at the end of the year		**124.65**	**39.79**
Note : Refer Note 26 of Schedule 'O' for Notes on Cash Flow Statement			
The Schedule referred to above & Notes thereon form an integral part of Cash flow Statement.			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar
Partner

Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das
Executive Director

Ravishankar K R
Chairman & Managing Director

Lata Varshney
Company Secretary

SCHEDULES forming part of the Balance Sheet as at March 31, 2010	March 31, 2010	(Rs. In Million) March 31,2009
SCHEDULE - A		
Share Capital		
1. Authorised		
a) Equity	250.00	150.00
25,000,000 equity shares of Rs.10 each (Previous Year 15,000,000 equity shares of Rs 10 each)		
	250.00	**150.00**
2. Issued, subscribed and paid-up		
a) Equity		
21,935,191(Previous year 11,085,191) equity shares of Rs.10 each fully paid.	219.35	110.85
Less: Amount receivable from Sequent Scientific Employee Stock Option Scheme Trust (Being Face value of 700,000 Equity Shares of Rs.10 each allotted to the Trust)	7.00	-
(Refer Note No.25 of Schedule O)	**212.35**	**110.85**
Of the above:-		
i) 10,150,000 Equity Shares of Rs.10 each were allotted to the share holders of erstwhile Sequent Scientific Limited, consequent to amalgamation with the Company.		
ii) 700,000 Equity Shares of Rs.10 each were allotted to the Sequent Scientific Employee Stock Option Scheme Trust		

SCHEDULE - B		
Reserves and Surplus		
1. Amalgamated Reserve		
Opening Balance	-	18.37
Less: Transfer to General reserve	-	18.37
	-	**-**
2. General Reserve		
Opening Balance	120.88	64.18
Add: Transfer from Profit and Loss account	-	-
Add: Transfer from Amalgamated Reserve Account	-	18.37
Add: Excess of investment over net asset taken over	-	32.47
Add: Profit for the year 2007-08 of merged company	-	4.89
Less : Adjustment under transitional provisions of AS-15 (Revised)	-	(0.03)
Add: Transfer from Profit and Loss account	15.59	1.00
	136.47	**120.88**
3. Securities Premium		
Opening Balance	234.95	234.95
Add: Included on Amalgamation	445.39	-
Less: Share issue expenses	(3.94)	-
Less: Set-off of Goodwill arising on amalgamation	(163.00)	-
Add: Premium on allotment of shares issued during the year	72.10	-
Less: Amount receivable from Sequent Scientific Employee Stock Option Scheme Trust	(72.10)	-
(Refer Note No.25 of Schedule O)	-	-
Closing Balance	**513.40**	**234.95**
4. Profit & Loss Account	**296.42**	**129.24**
Total	**946.29**	**485.07**

SCHEDULES forming part of the Balance Sheet as at March 31, 2010 (Contd.)		(Rs. In Million)
	March 31, 2010	March 31,2009
SCHEDULE - C		
Loan Funds		
A. Secured Loans		
1. Long term loans		
a) From banks	725.40	237.05
b) From others	41.24	-
	766.64	**237.05**
2. Short term loans From banks (Refer Note e below)	539.48	249.03
	539.48	**249.03**
Total	**1,306.12**	**486.08**

Notes :

a) Long term loans, other than hire purchase loans and except for loan mentioned under point (b) below, are secured by first pari-passu charge on fixed assets of the Company & second pari-passu charge on current assets of the Company as a collateral.

b) Long Term Loan from Bank of India amounting to Rs. 200 Million is secured by a second pari-passu charge on fixed assets of the Company.

c) Housing loans & Vehicle loans from Bank(s) are secured by hypothecation of asset acquired thereunder.

d) Long term loans (other than hire purchase loans) due within one year Rs. 150.94 mio (Previous year Rs.85.21 mio). Hire purchase loans from banks due within one year Rs 4.4 mio (Previous year Rs.1.8 mio)

e) Short term loans are secured by a first pari-passu charge on current assets of the Company and a second pari-passu charge on fixed assets of the Company as a collateral.

f) Some of the above loans amounting to Rs.1304.13 mio (Previous year Rs.486.08 mio)are guaranteed by some of the Directors of the Company in their personal capacities.

B. Unsecured Loans		
1. Long term loans		
a) From banks	48.68	-
b) From Others	12.35	-
	61.03	**-**
2. Short term loans from others	-	5.19
	-	**5.19**
Total	**61.03**	**5.19**

SCHEDULES forming part of the Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

SCHEDULE - D

Fixed Assets

Sl No	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION/ IMPAIRMENT					NET BLOCK	
		As on 1-Apr-09	Included on Amalgamation	Additions During the Year	Deletions During the Year	As on 31-Mar-10	Up to 31-Mar-09	Included on Amalgamation	For the Year	Deletions	Up to 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
1	Freehold Land	0.70	80.98	0.35	-	82.03	-	-	-	-	-	82.03	0.70
2	Leasehold Land	29.77	20.86	0.03	-	50.66	1.48	1.16	0.70	-	3.34	47.32	28.29
3	Land Development	0.78	-	-	-	0.78	-	-	-	-	-	0.78	0.78
4	Leasehold Property- Development	13.93	-	-	-	13.93	0.23	-	1.39	-	1.62	12.31	13.70
5	Building	159.29	225.80	7.48	1.24	391.33	16.22	10.59	17.53	0.19	44.15	347.18	143.07
6	Furniture & Fixtures	16.85	3.98	2.47	0.45	22.85	2.33	0.63	1.61	0.26	4.31	18.54	14.52
7	Office Equipment & Computers	10.78	7.33	2.01	0.26	19.86	4.45	0.97	2.24	0.25	7.41	12.45	6.33
8	Plant & Machinery	324.45	506.58	40.11	0.48	870.66	89.84	52.73	97.06	0.21	239.42	631.24	234.61
9	Motor Vehicles	12.42	6.39	1.51	2.08	18.24	2.70	1.26	2.48	0.45	5.99	12.25	9.72
10	Intangible Assets	-	-	33.79	-	33.79	-	-	18.40	-	18.40	15.39	-
Total		**568.97**	**851.92**	**87.75**	**4.51**	**1,504.13**	**117.25**	**67.34**	**141.41**	**1.36**	**324.64**	**1,179.49**	**451.72**
Less: Depreciation capitalised for Intangible assets developed during the year									16.19				
Depreciation for the year charged to Profit & Loss Account									125.22				
Capital Work In Process & Capital Advances*		**28.99**	**13.25**	**216.98**	**48.93**	**210.29**						210.29	28.99
TOTAL		**597.96**	**865.17**	**304.73**	**53.44**	**1,714.42**	**117.25**	**67.34**	**125.22**	**1.36**	**324.64**	**1,389.78**	**480.71**
Previous Year		**459.24**	**77.34**	**77.53**	**16.15**	**597.96**	**53.89**	**22.82**	**41.44**	**0.90**	**117.25**	**480.71**	**405.35**

*Capital Work-in-Progress includes intangibles of Rs. 49.14 Mio. for product and process under development

(Rs. In Million)

SCHEDULES forming part of the Balance Sheet as at March 31, 2010 (Contd.)

SCHEDULE - E		March 31, 2010		March 31,2009	
	Face Value	Nos	Value	Nos	Value
Investments					
1. Long term investments - Unquoted (at cost)					
A) Trade investments					
Subsidiaries					
i) SeQuent Global Holdings Limited	Equity USD 1/-	15,000	0.74	1,001,000	49.48
Monies Pending allotment					37.40
ii) Vedic Elements Private Limited	Equity Rs. 10/-	7,000,000	277.72	-	-
Monies Pending allotment					150.35
iii) SeQuent Research Limited	Equity Rs. 10/-	4,160,000	130.09	-	-
iv) Sanved Research Labs Private Limited	Equity Rs. 10/-	487,500	20.00	-	-
v) Galenica B.V.	Equity Euro 1/-	47,935	77.34		
Associates					
i) Elysian Life Sciences Private Limited	Equity Rs. 10/-	4,000	0.04	-	-
B) Non-Trade investments - Unquoted					
i) Panoli Enviro Tech Ltd.	Equity Rs. 10/-	23,700	0.24	-	-
ii) Ambernath Chemical Manufacturers	Equity Rs. 10/-	1,000	0.01	1,000	0.01
Association Common Effluent Treatment plant					
iii) Tarapur Industrial Manufacturers	Equity Rs. 10/-	2,000	0.04	2,000	0.04
Association Common Effluent Treatment Plant					
2. Current Investments					
(at lower of cost and estimated net realisable value)					
A. Quoted					
i) Agrodutch Industries	Equity Rs. 10/-	36,250	0.83	36,250	0.27
ii) Transchem Ltd	Equity Rs. 10/-	32,500	0.44	32,500	0.21
iii) N B Footware	Equity Rs. 10/-	100,000	-	100,000	-
iv) Agrotech India Ltd	Equity Rs. 10/-	6,300	-	6,300	-
v) Nath Bio Genes (I) Ltd	Equity Rs. 10/-	6,930	-	6,930	-
vi) Nath Seed Ltd	Equity Rs. 10/-	18,270	-	18,270	-
B. Unquoted					
i) Aditya Investment & Communication Ltd	Equity Rs. 10/-	58,800	-	58,800	-
ii) Anantroop Trading Pvt Ltd	Equity Rs. 10/-	-	-	25,000	2.50
iii) Investment in Mutual funds	Equity Rs. 10/-	186,825	3.00	100,000	0.56
iv) Investment in Gold		-	0.79	-	-
v) National Saving Certificate		-	0.02	-	-
vi) NSC VIII Issue - Tarapur		-	0.06	-	-
			511.36		**240.82**
Less : **Provision for diminution in value of Investments**					
i) Galenica B.V.	Equity		57.50		-
			57.50		**-**
Total			**453.86**		**240.82**

SCHEDULES forming part of the Balance Sheet as at March 31, 2010 (Contd.)

					(Rs. In Million)
		March 31, 2010		March 31,2009	
SCHEDULE - E (Contd.)	**Face Value**	**Nos**	**Value**	**Nos**	**Value**
Aggregate book value of unquoted investments			452.59		240.34
Aggregate book value of quoted investments			1.27		0.48
Market value thereof			1.27		0.48
Additions during the year :		**Nos**		**Cost**	
i) Galenica BV	Equity	-		70.16	
ii) Sequent Global Holdings Limited*	Equity	1,300,000		64.79	
iii) Vedic Elements Pvt. Ltd.*	Equity	7,000,000		277.72	
iv) Sequent Research Limited	Equity	4,160,000		30.09	
v) Sanved Research Labs Pvt. Ltd.	Equity	487,500		20.00	
vi) Elysian Life Sciences Pvt. Ltd.	Equity	4,000		0.04	
vii) Gold Coins	Gold	500 Gms.		0.79	
viii) SBI Infrastructure Series Growth Fund	Units	36,825		1.94	
Investment included on amalgamation		**Nos**		**Cost**	
i) Panoli Enviro Tech Ltd.		23,700		0.24	
ii) Investment in Mutual funds		50,000		0.50	
iii) Sequent Research Limited				100.00	
iv) Sanved Research Labs Pvt. Ltd.				20.00	
v) National Saving certificate				0.08	
vi) Galenica B.V.		47,935		7.18	
Deletion during the year :					
		Nos	**Cost**	**Sale Value**	**Profit on Sale**
i) Sequent Global Holdings Limited	Equity	2,286,000	113.53	125.49	11.96
ii) Anantroop Trading Pvt Ltd	Equity	25,000	2.50	2.50	-
Note: *Including Share Application money converted All Investment in shares are fully paid up.					

		(Rs. In Million)
	March 31, 2010	March 31,2009
SCHEDULE - F		
Current Assets, Loans & Advances		
A. Current assets		
1. Inventories		
a) Raw materials and packing materials	190.91	63.77
[Includes Goods-in-transit of Rs.47.71 Mio. (Previous year Rs.10.46 Mio.)]	-	-
b) Work-in-process and intermediates	137.15	100.79
c) Finished goods (including stock of traded goods of Rs. 0.08 (PY: Rs. Nil)	136.26	52.75
[Includes Goods-in-transit of Rs.7.91 Mio. (Previous year Rs.1.09 Mio.)]	-	-
d) Fuel	2.35	1.33
Total	**466.67**	**218.64**
2. Sundry Debtors (unsecured)		
a) Exceeding Six months		
- Considered Good	3.00	1.26
- Considered Doubtful	0.77	1.42
b) Others	-	-
- Considered Good	451.74	194.68
- Considered Doubtful	-	-
	455.51	197.36
Less : Provision for Doubtful Debts	0.77	1.42
Total	**454.74**	**195.94**

(included in above is Rs.35.41 Million (PY: Rs. 1.00 Million) receivable from Strides Acrolab Limited, a Company under the same management)

SCHEDULES forming part of the Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

	March 31, 2010	March 31,2009
SCHEDULE - F (Contd.)		
3. Cash and bank balances		
a) Cash in hand	0.95	0.86
b) Balance with scheduled banks		
i) In current account	87.62	24.62
ii) in margin money account	36.08	13.50
c) Balance with other banks		
i) In current account	-	0.81
(Calyon Bank, Maximum amount outstanding during the year -Rs.0.81 Million (P.Y. Rs. 45.82 Millions)		
Total	**124.65**	**39.79**
B. Loans and advances (unsecured, considered good)		
a) Advance recoverable in cash or in kind or for value to be received	28.94	5.24
b) MAT credit Entitlement	56.70	-
c) Advance income tax and tax deducted at source	75.93	62.82
d) Deposits with and dues from Government departments	87.11	37.20
e) Deposits with others	104.65	4.81
f) Loans and Advances to subsidiaries	164.05	71.57
Total	**517.38**	**181.64**
Total	**1,563.44**	**636.01**

SCHEDULE - G		
Current Liabilities And Provisions		
A. Current liabilities		
a) Sundry Creditors		
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	549.02	150.36
b) Interest accrued but not due	2.45	2.20
c) Other Liabilities	25.27	7.26
d) Advances received from customers	1.30	-
Total	**578.04**	**159.82**
B. Provisions		
a) Leave salary	13.53	4.10
b) Gratuity	17.24	2.15
c) Income taxes	135.33	67.15
d) Proposed equity dividends	42.47	11.09
e) Tax on proposed equity dividends	7.22	1.88
Total	**215.79**	**86.37**
Total	**793.83**	**246.19**

SCHEDULES forming part of the Profit & Loss Account for the year ended at March 31, 2010	**For the year ended March 31, 2010**	(Rs. In Million) For the year ended March 31, 2009
SCHEDULE - H		
Sales		
a) Sale of products [including sale of traded goods	2,531.38	1,112.90
Rs.48.19 Mio. (Previous year Rs. 11.71 Mio.)]	-	-
Less: Excise duty on domestic sales	68.03	52.28
Total	**2,463.35**	**1,060.62**

SCHEDULE - I		
Other Income		
a) Dividend from Long Term Investments	0.01	-
b) Exchange fluctuation gain (net)	27.31	-
c) Other Income	19.62	2.90
[Gross of TDS Rs.0.58 Mio (Previous year Rs.Nil)]		
d) Profit on Sale of Investment	11.96	0.24
e) Interest Received	13.97	14.78
[Gross of TDS Rs.2.32 Mio (Previous year Rs.3.34 Mio)]		
Total	**72.87**	**17.92**

SCHEDULE - J		
Materials Consumed		
Opening stock	63.77	58.67
Opening stock Included on amalgamation	49.75	-
Total	**113.52**	**58.67**
Add: Purchases (including purchase of traded goods Rs. 31.60 Mio (Previous year Rs.8.58 Mio)	1,191.99	567.66
Less: Closing stock	190.91	63.77
Total	**1,114.60**	**562.56**

SCHEDULE - K		
(Increase) / Decrease In Stock		
i) Opening stock		
Work in process & Intermediates	100.79	62.04
Finished goods	52.75	31.68
	153.54	**93.72**
ii) Opening stock Included on amalgamation		
Work in process & Intermediates	9.30	1.42
Finished goods	33.35	3.31
	42.65	**4.73**
iii) Closing stock		
Work in process & Intermediates	137.15	100.79
Finished goods	136.26	52.75
	273.41	**153.54**
Total	**(77.22)**	**(55.09)**

SCHEDULES forming part of the Profit & Loss Account for the year ended at March 31, 2010 (Contd.)	**For the year ended March 31, 2010**	(Rs. In Million) For the year ended March 31, 2009
SCHEDULE - L		
Personnel Cost		
Salaries, wages and allowances	166.16	78.87
Contribution to provident & other funds	25.39	5.54
Staff welfare expenses	10.50	2.90
Total	**202.05**	**87.31**

SCHEDULE - M		
Operating and Other Expenses		
Power, fuel & water	136.81	66.28
Consumables	38.51	30.13
Conversion & Processing charges	99.62	63.87
Contract Labour Charges	39.98	26.31
Freight & forwarding	36.18	19.89
Rent	10.74	4.24
Rates & taxes	4.21	1.53
Communication charges	8.17	4.25
Repairs & maintenance	-	-
- Buildings	20.53	4.49
- Machinery	24.01	7.13
- Others	34.78	13.47
Insurance	2.80	2.18
Travelling & conveyance	17.90	6.26
Advertisement & Selling expenses	10.29	6.69
Commission on sales	19.82	14.25
Legal & Professional fees	32.45	10.61
Other expenses	30.48	17.97
Analytical Charges	34.49	-
Bad & Doubtful debts	21.30	1.42
Exchange fluctuation Loss (net)	-	44.08
Total	**623.07**	**345.05**

SCHEDULE - N		
Finance Charges		
Bank charges & commission	27.38	8.74
Interest on working capital & other facilities	61.12	11.36
Interest on Term loans	98.81	21.83
Total	**187.31**	**41.93**

SCHEDULE - O

Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and on accrual basis of accounting, in accordance with Generally Accepted Accounting principles in India, the mandatory Accounting Standards prescribed by the Company Accounting Standards Rules, 2006. The management evaluates all recently issued or revised Accounting Standards on an ongoing basis.

2. Fixed Assets

Fixed assets other than intangibles are recorded at their acquisition cost and subsequent improvements thereto. Cost includes interest on borrowings attributable to the funds borrowed in respect of qualifying assets, for the period up to completion of construction or when the assets are ready to be put to use, as applicable. Intangible assets are capitalized in accordance with Paragraph 4 below.

Capital work in progress is stated at cost and includes advances paid to acquire fixed assets and the cost of fixed assets and eligible costs incurred on in-house product development and process re-engineering costs that are not ready for their intended use at the Balance Sheet date.

3. Depreciation

Depreciation is provided under the straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, based on technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates. Leasehold land is amortised over the leasehold period.

With respect to assets carried at revalued amounts as permitted under the Scheme of amalgamation, depreciation is recorded under the straight line method over the balance remaining useful life of the assets which are given below:

Sl No	Name of the assets	Remaining useful life in years
1	Buildings	10 – 25
2	Plant & Machinery	5 – 12
3	Office equipment	5 - 7
4	Computers	4
5	Furniture & fixtures	5 - 6
6	Motor car	3 - 5

Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase

4. Research and Development costs

In accordance with AS 26, Intangible Assets, development expenses incurred on specific / identified in-house developed products and processes are capitalised as intangibles from the date on which the Company is able to demonstrate technical feasibility and probable future economic benefits in respect of the products. The amount capitalised comprises expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. The unamortized cost of such intangible assets is carried at cost, less accumulated amortization and impairment, if any.

Other development and research expenses are charged to the Profit and Loss account.

Fixed assets acquired for Research & Development activities are capitalized and depreciated in accordance with the policy of the Company in paragraph 3 above.

5. Impairment of Assets

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment if impairment conditions exist. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(a) In the case of an individual asset, at the higher of the net selling price and value in use.

(b) In the case of cash generating units, at the higher of the unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

6. Investments

Current investments are carried at lower of cost and fair market value. Provision is made to recognize decline, if any, in the carrying value.

Long-term investments are valued at cost less impairment considered to be other than temporary.

SCHEDULE - O (Contd.)

7. Inventory

Inventories comprise raw materials, packing materials, consumables, work in process and finished goods. These are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw materials, packing materials & consumables	First in first out basis
Work in process & Intermediates	at material cost, conversion costs and an appropriate share of production overheads
Finished Goods	material cost, conversion costs and an appropriate share of production overheads and excise duty, wherever applicable

8. Revenue Recognition

Revenue from export sales is recognized on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the passage of title to goods which generally coincides with dispatch. Sales include excise duty and are stated net of discounts, other taxes, and sales returns.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on an accrual basis.

9. Employee Benefits

The Company's contribution to Provident Fund is charged to revenue on accrual basis.

Leave balances standing to the credit of the employees that are expected to be availed in the short term are provided for on full cost basis. Liability for unavailed leave considered to be long term is carried based on an actuarial valuation.

Liability for gratuity is funded with LIC and SBI Life Insurance Company Limited. Gratuity expenses for the year are accounted based on actuarial valuation carried out as at the end of the fiscal year. The obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Short term employee benefits like medical, leave travel, etc are accrued based on the terms of employment on a time proportion basis.

10. Foreign Currency Transactions

The transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are translated at the exchange rate prevailing on the date of the balance sheet. Exchange differences on settlement or restatement are adjusted in the profit & loss account.

Premium / Discount on forward contracts is amortised over the life of the forward contract. Exchange differences arising on restatement of foreign currency monetary assets and liabilities are recognised in the Profit and Loss account.

11. Provision and Contingent Liabilities

Provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

12. Taxes on Income

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Deferred tax assets and liabilities are recognized for the future tax consequences arising out of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable/ virtual certainty (as applicable) that sufficient future taxable income will be available against which such deferred tax asset can be realised. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change.

13. Leases

Lease arrangements, where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are classified as operating leases and the lease rentals thereon are charged to the Profit and Loss Account on accrual basis.

14. Employee Stock Option Scheme

Employee stock options are accounted in accordance with the guidelines stipulated by SEBI and Guidance Note on Accounting for Employee Share-based Payments. The difference between the market price of the shares underlying the options granted on the date of grant of option and the option price is expensed under 'Personnel cost'.

15. Earnings Per Share

In determining the Earnings per share, the company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless issued at a later date.

16. Use of Estimates

The preparation of the financial statements in conformity with the Accounting Standards generally accepted in India requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

B. NOTES TO ACCOUNTS

1. (a) Amalgamation of Sequent Scientific Limited with the Company:

The Scheme of Amalgamation of Sequent Scientific Limited ("Transferor Company") with the Company with an Appointed date of 1 April, 2008 ('the Scheme') has been sanctioned by the High Court of Bombay and came into effect on 16 September 2009. In terms of the Scheme:

a. The amalgamation has been accounted for under the purchase method prescribed by Accounting Standard (AS) 14 – Accounting for Amalgamations notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and accordingly value of assets and liabilities of the transferor Company have been accounted at fair values based on an independent valuation report or at values determined by the Management and as approved by the Board of DirectoRs.

b. All assets and liabilities of the Transferor Company have been transferred to and vested in the Company retrospectively with effect from April 1, 2008.

c. Seven equity shares of Rs.10 each were allotted for every three equity shares held by the shareholders of the Transferor Company resulting in the allotment of 10,150,000 shares of Rs.10 each to the shareholders of the Transferor Company.

d. The net deficit on amalgamation of Rs.163.00 million representing the excess of shares allotted over the fair value of net assets amalgamated has been set off against the balance in the Securities Premium Account.

e. The assets and liabilities as at April 1, 2008 taken over have been accounted at their fair values as follows:

SCHEDULE - O (Contd.)

(Rs. in million)

Particulars	Amount
Fixed Assets	802.95
Investments	1.33
Inventory	70.51
Debtors	108.04
Loans & Advances	126.61
Cash & Bank balances	7.78
Total (A)	**1117.22**
Reserves & Surplus	219.74
Current Liabilities & Provisions	324.62
Secured Loans	598.45
Unsecured Loans	10.91
Deferred tax liability	25.00
Total (B)	**1178.72**

(Rs. in million)

Particulars	Amount
Excess of Liabilities & Reserves over Assets taken over (A)-(B)	61.50
Settled through: Allotment of 10,150,000 equity shares of Rs. 10 each fully paid at par to the shareholders of the Transferor Company in the ratio of 7 shares in the Company for every 3 shares held by them in the Transferor Company.	101.50
Net deficit on amalgamation representing the excess of shares allotted over the fair value of net assets amalgamated set off against Securities Premium as per the Scheme	163.00

(b) During the previous year, the Company had acquired all the assets and liabilities of its wholly owned subsidiary company Elixir Chemicals Private Limited (Elixir) with effect from the Appointed Date April 1, 2007, pursuant to a scheme of Amalgamation of Elixir Chemicals Private Limited with the Company as approved by the Honourable High Court of Bombay vide order dated March 20, 2009. Since the Amalgamating Company was wholly owned subsidiary company, no consideration was paid as per the scheme. The said amalgamation was in the nature of merger and had been accounted as pooling of interest method in accordance with the Accounting Standard 14 Accounting for Amalgamations issued by the Institute of Chartered Accountants of India and as per the treatment prescribed by the scheme. The Accounting treatment followed was as under:

1. All the assets and liabilities of Elixir, as appearing in the books as on April 1, 2007, were recorded in the books of the Company at the respective book values.
2. Difference between carrying cost of the investment in the Elixir as appearing in the books of the Company and the net assets of Elixir of Rs. 32. 47 Mio was adjusted in General Reserve as per the scheme.
3. Elixirs profit after tax for the year ended 31st March 2008 amounting to Rs. 4.89 Mio was credited to the General Reserve account.
4. The inter-company balance of Rs. 76.37 Mio as on 1st April 2008 as appearing in the books of Elixir and the Company was eliminated.

2. Proposed Amalgamation of Vedic Elements Private Limited, a wholly owned subsidiary of the company:

   The Scheme of Amalgamation of Vedic Elements Private Ltd (VEPL) with the Company from October 1, 2009 has been approved by Board of Directors of the respective companies in their meeting held on January 27, 2010. Under the scheme all, assets and liabilities of VEPL will be transferred and recorded in the books as per valuation report or value determined by the Management of the Company. Upon the Scheme becoming effective, the shares held by the Company in VEPL shall be cancelled and extinguished and no shares will be issued by the VEPL in consideration of this scheme of amalgamation. The scheme is pending approval of the High Court and therefore no effect has been given to this scheme in this financials.

3. Estimated amounts of contracts remaining to be executed on capital account Rs. 82.95 Mio (previous year Rs. 12.78 Mio)

SCHEDULE - O (Contd.)

4. Contingent Liabilities

(Rs. in million)

Particulars	As at March 31, 2010	As at March 31, 2009
Bank guarantee and letter of credits	2.40	25.17
Sales tax	13.20	-
Income tax	11.11	0.62
Bills Receivables discounted with banks	97.03	-
Total	**123.56**	**25.79**

The Company has given a Corporate guarantee to Rabo bank, Netherlands towards a loan secured by its subsidiary (Galenica BV) amounting to Euro.0.6 Millions. (Rs.36.62 Million) (Previous Year : Rs. Nil)

5. The information disclosed in Schedule G.A (a) to the financial statements with regard to Micro and Small enterprises is based on information collected and enquiries made by the management with the creditors which have been relied upon by the auditoRs.

6. Managerial Remuneration:

A. Remuneration paid by the Company to the Managing Director and Whole-time director:

(Rs. in million)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009*
Salaries & Allowances	21.06	7.78
Contribution to PF & Other funds	1.49	2.53
Leave encashment	0.02	1.95
Total (A)	**22.57**	**12.26**
Sitting fees paid to Non-whole time directors	0.32	0.40
Total (B)	**0.32**	**0.40**
Total (A) + (B)	**22.89**	**12.66**

Note: The details of managerial remuneration stated in the above table exclude long term leave encashment and accrued gratuity costs (for which separate actuarial valuations are not available).

*Out of the above, remuneration of Rs. 7.22 Million to executive directors is as per Shareholder' approval in General Meeting and within the limits laid down in Schedule XIII of the Companies Act, 1956. Remuneration of Rs. 5 Million paid to the Managing Director is per the approval of the Central Government.

B. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

Managerial remuneration

(Rs. in million)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit before Tax as per Profit & Loss Account	303.69	55.34
Add / (Less) :		
Managerial Remuneration	22.57	12.26
Depreciation as per accounts	125.22	41.44
Director's sitting fees	0.32	0.40
(Profit)/Loss on sale of assets	(0.56)	0.90
Provision for Diminution in investment	57.50	-
Provision for Doubtful Debts	-	1.42
Profit on sale of investments not allowable under section 349	(11.96)	(0.24)
Depreciation under section 350	(125.22)	(41.44)
Net Profit/ (Loss) u/s 349 of the Companies Act, 1956	371.56	70.08
Maximum managerial remuneration available to the Managing Director and other whole time Directors (including Commission) @ 10 %	37.16	7.00

7. Legal & Professional fees includes payment to auditors as under:

(Rs. in million)

Particulars*	Year ended March 31, 2010	Year ended March 31, 2009**
Audit fees (including fees for undertaking Limited reviews)	1.60	0.46
Out of pocket expenses	0.21	-
Fee for certification and other services	-	0.18
Total	**1.81**	**0.64**

*Excluding Service Tax

**Paid to the erstwhile auditors' of the Company

SCHEDULE - O (Contd.)

8. Details of Loans & Advances to companies under same management are as under –

(Rs.In Million)

Particulars	March 31, 2010		March 31, 2009	
	Balance as on date	Maximum outstanding during the year	Balance as on date	Maximum Outstanding during the year
Vedic Elements Private Limited	93.88	111.21	13.53	28.05
Sequent Research Limited	70.17	100.17	-	32.89
Paradigm Resorts	24.58	24.58	-	-
Agnus Holdings Private Limited	30.41	30.41	-	50.75
Strides Arcolab Limited	21.05	71.11	-	-

9. Un-hedged Foreign Currency Exposure

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

(Rs.In Million)

Receivable/ (Payable)	Receivable/ (Payable) In Foreign currency		Receivable/ (Payable)	Receivable/ (Payable) In Foreign currency	
At March 31, 2010			At March 31, 2009		
(0.91)	Euro	(0.01)	-	Euro	-
(310.53)	USD	(6.89)	(3.97)	USD	(0.08)
19.20	Euro	0.32	111.68	USD	2.20

10. Details of Hedged Foreign Currency Exposure:
Forward Exchange Contracts, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables, outstanding as on March 31, 2010 are given below:

No. of contracts	Nature of Hedge buy/Sell	Currency	Amount in US $ in Million	Cross currency	Amount (Rs.In Million)
	Sell-Receivable	USD	3.62	Rs.	160.91 (PY Nil)
11	Highly Probable forecast transaction	USD	6.13	Rs.	274.48 (PY Nil)
1	Buy-Payable	USD	1.5	Rs.	67.59 (PY Nil)

11. Segment Reporting:
The Company has identified Pharmaceuticals and Specialty Chemicals as its business segments. Segments have been identified taking into account the nature of services, the differing risks & returns, the organizational structure & the internal reporting system. Since the Company prepares consolidated financial statements, segment information has not been provided in these financial statements.

SCHEDULE - O (Contd.)

12. Employee Benefits:

The Company has a defined benefit gratuity plan. The following table summarises the components of net employee benefit expenses recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(Rs. in million)

	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
A	Current Service cost	5.04	1.20
B	Interest cost	1.00	0.34
C	Expected return on plan assets	(0.62)	(0.34)
D	Actuarial Losses/(Gains)	7.78	1.49
E	Past Service Cost	-	-
F	Total expense recognised in the Statement of Profit & Loss	13.20	2.69
II	**Actual Contribution and Benefits Payments**		
A	Actual benefit payments	(1.18)	(1.42)
B	Actual Contributions	4.40	2.11
III	**Net asset/(liability) recognised in balance sheet**		
A	Present value of Defined Benefit Obligation (DBO)	26.60	6.65
B	Fair value of plan assets	9.36	4.49
	Unrecognised past service costs	-	-
C	Funded status [Surplus/(Deficit)]	(17.24)	(2.15)
D	Net asset/(liability) recognised in balance sheet	(17.24)	(2.15)
IV	**Change in Defined Benefit Obligations**		
A	Present Value of DBO at beginning of period	6.64	3.82
B	Included on Amalgamation	7.28	1.18
C	Current Service cost	5.04	1.20
D	Interest cost	1.00	0.34
E	Curtailment cost/(credit)	-	-
F	Settlement cost/(credit)	-	-
G	Actuarial (gains)/ losses	7.82	1.52
H	Benefits paid	(1.18)	(1.42)
	Present Value of DBO at the end of period	26.60	6.64
V	**Change in Fair Value of Assets**		
A	Plan assets at beginning of period	4.48	3.02
B	Included on Amalgamation	1.00	0.40
C	Actual return on plan assets	0.62	0.34
D	Actuarial (gains)/losses	(0.04)	(0.03)
E	Actual Company contributions	4.40	2.11
F	Benefits paid	(1.18)	(1.42)
G	Plan assets at the end of period	9.36	4.48
	Actuarial Assumptions for Gratuity		
A	Discount Rate	8%	7%
B	Expected Return on plan assets	6%	5%
C	Salary escalation	Thane-10%	Thane-7%
		Mangalore-11%	
D	Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
E	Withdrawal Rates	Thane-8%	Thane-8%
		Mangalore-12%	

Note: The details with respect to the investment by the Fund Manager (LIC & SBI Life) into major categories of plan assets have not been disclosed, as the same has not provided by the Fund Managers to the Company.

Details Of Payments To Defined Contribution Plans (Amount In Rs Million.):

Provident Fund : Rs. 25.39 (Py: Rs.5.54)

SCHEDULE - O (Contd.)

13. Related Party Disclosures

List of related parties:

Holding Company:

Fraxis Life Sciences Private Limited

Wholly-owned subsidiaries:

SeQuent Global Holdings Limited

Sequent European Holdings Limited (step-down subsidiary)

Sequent IPCO GmbH (step-down subsidiary)

Vedic Elements Private Limited

Vedic Fanxipang Pharma Chemic Company Limited,Vitenam (step-down subsidiary)

Sequent Research Limited

Sanved Research Labs Private Limited

Galenica B.V. (subsidiary)

Codifar N.V. (wholly owned subsidiary of Galenica B.V.)

Associates

Elysian Life Sciences Private Limited

Elysian Health Care Private Limited (wholly owned subsidiary of Elysian Life Sciences Private Limited)

Key Management Personnel & Enterprises owned or significantly influenced by key management personnel and relative of key management personnel:

Mr. K.R.Ravishankar –Managing Director & Chief Executive Officer

Mr Gautam Kumar Das, Executive Director & Chief Operating Officer (w.e.f. January 7, 2010)

Mr. S.N.Jagannath - Executive Director (Resigned w.e.f January 6, 2010)

Strides Acrolab Limited

Linkace Limited, Cyprus

ATMA Projects

Agnus Holdings Private Limited

Latitude Projects Private Limited

Strides Vital Nigeria Limited

Strides Italia S.r.l. (In Liquidation)

Deesha Properties

Deesha Fine Chemicals

Paradigm Resorts

Agnus Global Holdings Pte Limited, Singapore

Agnus IPCO Limited, British Virgin Islands

Note: Related parties are as identified by the Company and relied upon by the AuditoRs.

SCHEDULE - O (Contd.)

(Rs. in million)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09
A. Transactions during the year:										
Sales of materials/services										
1 Strides Arcolab Limited									503.54	1.00
2 Strides Vital Nigeria Ltd.									0.01	7.99
Interest and Other Income										
1 SeQuent Research Ltd.	-	3.09							-	-
2 Strides Arcolab Ltd.									3.66	-
3 Agnus Holdings Pvt. Ltd.									4.11	0.76
4 Paradime Resorts									3.21	-
5 Vedic Elements Private Limited	-	0.86							-	-
6 Sequent Global Holdings Limited	11.96	-								
Purchase of materials										
1 Strides Arcolab Ltd.									20.42	-
2 Strides Italia SRL									1.04	-
Purchase of Machinery/Assets										
1 Strides Arcolab Ltd.									-	0.18
2 Latitude Projects Pvt. Ltd.									-	9.99
Managerial Remuneration										
1 Mr. K. R. Ravishankar							18.00	5.04		
2 Mr. S. N. Jagannath (Till 06.01.2010)							1.19	0.73		
3 Dr. G. K. Das (w.e.f. 16.11.2009)							3.38	-		
4 L.N.Bhat (Till 15.11.2008)							-	6.49		
Reimbursement of Expenses to										
1 Strides Arcolab Ltd.									16.08	-
Analytical Charges										
1 SeQuent Research Ltd.	47.08									
Rent										
1 Atma Projects Pvt Ltd.									5.12	2.21
2 Deesha Properties									9.10	
Bad debts written off										
1 Strides Arcolab (FA) Ltd.									5.60	-
2 Strides Vital Nig. Ltd.									0.01	-
3 Strides Arcolab Ltd.									14.98	-
License fee paid										
1 Strides Vital Nigeria Ltd.									0.91	-
Loans / advances given by Company										
1 Latitude Projects Pvt. Ltd.									0.05	1.80
2 Elysian Life Sciences Pvt Ltd.					0.63					-
3 SeQuent Research Ltd.	56.99									-
4 Vedic Elements Pvt. Ltd.	133.23	30.96								-

SCHEDULE - O (Contd.)

(Rs. in million)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09
Loans / advances repaid to Company										
1 Latitude Projects Pvt. Ltd.		-							1.40	
2 SeQuent Research Ltd.	51.86									
3 Vedic Elements Pvt. Ltd.	71.19	18.12								
Investments during the period (including pending allotment)										
1 SeQuent Global Holdings Ltd.	27.39	86.55								
2 SeQuent Research Ltd.	30.09	-		-						
3 Vedic Elements Pvt. Ltd.	127.36	150.35		-						
4 Galenica B.V.			70.16	-						
Subscription to Memorandum										
Elysian Life Sciences Pvt Ltd					0.04	-				
Sale of investments										
SeQuent Global Holdings Ltd.	125.48	-								
Rental Deposits given										
Atma Projects Pvt Ltd.									9.11	4.14
Intercorporate Deposits Given										
1 Strides Arcolab Ltd.									150.00	-
2 Agnus Holdings Pvt. Ltd.									30.00	-
Intercorporate Deposits Repaid										
Strides Arcolab Ltd.				-					130.00	
Balances as at March 31, 2010:										
Inter-Corporate deposits receivables as at										
1 Strides Arcolab Ltd.									21.05	
2 Agnus Holdings Pvt Ltd									30.41	
3 Paradime Resorts									24.58	-
Debtors Balance as at										
1 Strides Arcolab Limited									35.41	1.00
Advances receivable as at										
1 Vedic Elements Pvt Ltd	93.88	13.531								
2 Atma Projects Pvt Ltd.									13.25	8.19
3 Sequent Research Ltd.	70.17									
4 Deesha Properties									11.05	
5 Others					0.63	-			0.10	3.32
Creditors Balance as at										
1 Deesha Properties									13.79	
2 Vedic Fanxipang Pharma Chemic Company Ltd.			12.48	-						
3 Strides Arcolab Limited									5.67	
4 Others									1.61	-

Dividends paid during the year to Fraxis Life Sciences Limited, the Holding Company - Rs. 5.88 million (P.Y. - Rs. NIL)

SCHEDULE - O (Contd.)

14. Taxation
    (a) Provision for deferred tax has been created in accordance with the requirements of Accounting Standard 22 “Accounting for taxes on Income”
    (b) Net Deferred tax liability comprises the tax impact arising from timing differences on account of:

(Rs. in million)

Particulars	Opening	Included on Amalgamation	For the year Credit/(charge) Net	Asset /(liability) as on March 31, 2010
Depreciation	(28.77)	(51.77)	(23.21)	(103.75)
Carry Forward Losses	-	71.63	(71.63)	-
Section 43 B disallowances	4.61	4.30	5.78	14.69
Other timing differences	-	-	1.60	1.60
Deferred Tax Assets/(Liabilities) (net)	(24.16)	24.16	(87.46)	(87.46)

15. Research & Development Expenditure
    a) Details of Research and Development expenditure

(Rs. in million)

Particulars	For the Year ended March 31, 2010
Salaries	12.63
Power	2.69
Legal & Professional fees	0.72
Consumables	10.25
Traveling & conveyance expenses	0.94
Analytical charges	24.42
Others	10.50
Total	**62.15**

The above include costs associated with the development services undertaken for customers and are as certified by the management and relied upon by the Auditors.

b) As per the requirement of Department of Scientific and industrial research (DSIR), Ministry of Science and technology, Government of India, New Delhi, the details of expenditure incurred by the company towards Research and Development for the period April,1, 2009 to March 2010 are as under:

(Rs. in million)

Particulars	For the Year ended March 31, 2010
A. Revenue Expenditure	
Salaries	12.63
Consumables	10.25
Analytical charges	24.42
Others	14.85
Total Revenue Expenditure (A)	**62.15**
B. Capital Expenditure	
Buildings	Nil
Capital Equipments & other	Nil
Fixed Assets	Nil
Total Capital Expenditure (B)	**Nil**
Total R & D Expenditure (A)+ (B)	**62.15**

These details are as compiled by the management and have not been audited by the Statutory Auditors.

SCHEDULE - O (Contd.)

16. Expenditure Debited to the Profit & Loss Account excludes the following expenditure capitalised:

(Rs. in million)

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Interest	0.22	Nil
Salaries	13.79	Nil
Power	5.19	Nil
Legal & Professional Fees	0.51	Nil
Raw Materials & Consumables	29.71	Nil
Travelling & Conveyance Expenses	0.67	Nil
Analytical Charges	18.12	Nil
Depreciation	16.19	Nil
Others	9.54	Nil
Total	**93.94**	**Nil**

17. Expenditure in Foreign Currency:

(Rs. in million)

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Consultancy Charges	8.27	0.08
Foreign Travel Expenses	1.35	1.06
Commission	12.34	10.75
Research and Development	2.88	-
Others	2.72	0.97

18. Earnings in Foreign Currency & FOB Value of exports:

(Rs. in million)

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Exports	1059.86	625.61

19. Operating Leases:

The Company's significant leasing arrangement is mainly in respect of factory building & office premises; the aggregate lease rent payable on these leasing arrangements charged to Profit & Loss Account is Rs.10.74 Million. (Previous Year : Rs. 4.24 Million)

The Company has entered in to non cancelable lease arrangement for its facilities and office premises, the tenure of lease ranges from 1 year to 10 yeaRs. The said lease arrangements have an escalation clause where in lease rental is subject to an increment of ranging from 5% to 10 %. Details of lease commitments at the year-end are as follows.

(Rs. in million)

Particulars	Amount
A Within 1 year	15.05
B From 1 to 5 years	32.41
C Above 5 years	20.05
Total	**67.51**

20. The quantitative information for purchases, production, consumption and stock of raw material, finished goods are given as under.

	2009-10	2008-09
A) Licensed capacity	NIL	NIL
B) Installed capacity (in MT)	3,546	2,377

(As certified by the management and relied upon by the AuditoRs. Installed capacity of previous year including capacity available on amalgamation. The installed capacity serve multipurpose and will vary according to product mix)

SCHEDULE - O (Contd.)

C) Particulars of production, sales and stock in trade:

(Rs. in million)

	Bulk Drugs		Formulation-Granules		Formulation-Sachets & Bottles		Speciality Chemicals	
	MT	Value	Kgs	Value	Nos	Value	MT	Value
Opening Stock	62.86	79.18	-	-	638.93	4.57	23.80	2.35
	(31.86)	(33.58)	(1.99)	(1.40)	-	-	-	-
Production / Transfer	703.22	-	26.62	-	9,228.69	-	1,106.46	-
	(639.12)	-	(12.66)	-	(8,984.35)	-	-	-
Sales	721.81	1,779.98	26.62	38.00	9,036.08	82.73	976.10	514.45
	(630.01)	(952.99)	(14.65)	(23.09)	(8,345.41)	(72.83)	-	-
Closing Stock	44.27	78.96	-	-	831.54	2.68	154.16	54.54
	(40.97)	(48.18)	-	-	(638.93)	(4.57)	-	-

Note:
1. Opening stock includes stock taken over on amalgamation
2. Figures in brackets relate to Previous Year.

D) Consumption of Raw Material

(Rs. in million)

Item Name	2009-2010		2008-2009	
	Qty in MT	Value	Qty in MT	Value
Solvents	8,035.06	229.09	4,080.55	111.03
Chemicals	8,835.54	853.91	6,920.64	442.95
Total		**1,083.00**		**553.98**

21. Break up of Imported and Indigenous materials consumed:

(Rs. in million)

	For the Year Ended March 31, 2010		For the Year Ended March 31, 2009	
	Amounts	% of Total Consumption	Amounts	% of Total Consumption
Raw Material				
Imported	436.30	40.29	248.54	44.86
Indigenous	646.70	59.71	305.44	55.14
Total	**1,083.00**	**100.00**	**553.98**	**100.00**

22. Particulars of Traded Goods:
None of the items individually account for more than 10% of the total value of the purchases, stock or turnover, hence quantitative details have not been furnished.

23. CIF value of Imports:

(Rs. in million)

Particulars	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Raw materials	340.83	251.48
Capital goods	-	-

24. Earnings per Share:

(Rs in Millions except number of shares)

Earnings per share	2009-10	2008-09
a) Profit / (Loss) after tax as per profit and Loss A/c	207.93	35.18
b) Profit attributable to Equity Share Holders	207.93	35.18
c) Weighted Average Number of Shares for Basic EPS	21,235,191	11,085,191
d) Nominal value per equity shares	10	10
e) Earnings per share (Basic) Rs.	9.79	3.17
f) Diluted Earnings per share Rs.	9.79	3.17

25. Employee Stock Options Scheme

    In the extraordinary general meeting held on March 8, 2008, the shareholders approved the issue of 700,000 options under the ESOP scheme. In accordance with the above, the Company established an ESOP trust to administer the scheme on February 25, 2010.

    On the board meeting dated March 29, 2010, the Company has allotted 700,000 equity shares to the ESOP trust with a Face value of Rs.10 per share at a premium of Rs. 103 per share.

26. Notes on Cash Flow Statement:

    (a) The Cash flow has been prepared under Indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" issued under The Companies (Accounting Standards) Rules 2006.

    (b) Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

    (c) Cash and Cash Equivalent include balance with banks on lien for letter of credits issued of Rs. 36.08 Million (PY Rs. 13.50 Million) which are not available for use by the Company

    (d) The amalgamation of erstwhile Sequent Scientific Limited with the Company with effect from the appointed date of April 1, 2008 being a non-cash transaction has not been reflected in the cash flow statement (Refer Note B(1a) above)

27. Figures for current year are not comparable with those of the previous year as the figures for the current year include the figures of the amalgamating Company, Sequent Scientific Limited.

28. Previous year figures have been regrouped wherever necessary.

AUDITORS' REPORT

To The Board of Directors
SEQUENT SCIENTIFIC LIMITED
(Formerly known as **P I Drugs & Pharmaceuticals Limited**)

1. We have audited the attached Consolidated Balance Sheet of SEQUENT SCIENTIFIC LIMITED ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2010 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.506.66 Million as at 31st March, 2010, total revenues of Rs. 381.13 Million and net cash outflows amounting to Rs. 196.39 Million for the year ended on that date as considered in the Consolidated Financial Statements. In respect of these subsidiaries:

a. the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 290.33 Million as at 31st March, 2010, total revenues of Rs. 60.69 Million and net cash outflows amounting to Rs. 48.51 Million for the year ended on that date as considered in the Consolidated Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

b. the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 216.33 Million as at 31st March, 2010, total revenues of Rs. 320.44 and net cash outflows amounting to Rs. 147.88 Million for the year ended on that date as considered in the Consolidated Financial Statements have been compiled by the management and have not been subject to audit by independent auditoRs.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Subject to our comments in paragraph 3 (b) above, based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and;

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)
V. Srikumar
Partner
(Membership No.84494)

Bangalore, May 28, 2010

CONSOLIDATED

BALANCE SHEET

as at March 31, 2010

	Schedules	March 31, 2010	March 31,2009
			(Rs. In Million)
I. SOURCES OF FUNDS			
1. Shareholders' funds			
a) Share capital	A	212.35	110.85
b) Reserves & surplus	B	905.46	294.35
		1,117.81	**405.20**
2. Minority Interest		31.09	204.66
3. Loan funds	C		
a) Secured loans		1,532.66	782.76
b) Unsecured loans		218.49	187.17
		1,751.15	**969.93**
4. Deferred tax liability (Net)		73.04	24.16
(Refer Note 12 of Schedule O)			
Total		**2,973.09**	**1,603.95**
II. APPLICATION OF FUNDS			
1. Fixed assets	D		
a) Gross block		1,742.12	1,151.20
Less : Accumulated depreciation		411.10	185.84
Net block		1,331.02	965.36
b) Capital work-in-progress & advances		236.32	164.55
		1,567.34	**1,129.91**
2. Goodwill on Consolidation		518.46	103.09
3. Investments	E	5.47	153.94
4. Current assets, loans and advances	F		
a) Inventories		563.13	319.84
b) Sundry debtors		553.84	394.50
c) Cash & bank balances		140.68	41.03
d) Loans and advances		470.81	412.81
		1,728.46	**1,168.18**
Less: Current liabilities & Provisions	G		
a) Current liabilities		630.04	683.75
b) Provisions		216.60	267.42
		846.64	**951.17**
Net current assets		881.82	**217.01**
Total		**2,973.09**	**1,603.95**
Significant Accounting policies and Notes on accounts	O		
The Schedules referred to above and significant accounting policies and notes thereon form an integral part of the Balance Sheet			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das *Executive Director*

Ravishankar K R *Chairman & Managing Director*

Lata Varshney *Company Secretary*

CONSOLIDATED

PROFIT & LOSS ACCOUNT

for the year ended March 31, 2010

(Rs. In Million)

	Schedule	March 31, 2010	March 31,2009
I. INCOME			
1. Sales & services	H	2,844.48	1,440.21
2. Other income	I	300.17	65.11
Total		**3,144.65**	**1,505.32**
II. EXPENDITURE			
1. Materials consumed	J	1,374.69	752.17
2. (Increase)/Decrease in stock	K	(98.21)	(86.72)
3. Personnel cost	L	298.55	220.88
4. Operating and other expenses	M	720.77	630.09
5. Finance charges	N	216.65	50.52
Total		**2,512.45**	**1,566.94**
III. PROFIT / (LOSS) BEFORE DEPRECIATION, AMORTISATION AND INCOME TAX		**632.20**	**(61.62)**
6. Depreciation & Amortisation	D	142.40	64.79
IV. PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**489.80**	**(126.41)**
7. Goodwill Impairment on Consolidation		94.85	-
V. PROFIT/(LOSS) BEFORE TAX		**394.95**	**(126.41)**
Less: Provision for tax			
- Current		67.71	18.34
- Deferred [Net]		74.25	0.74
- Fringe Benefit Tax		-	1.10
- MAT Credit entitlement		(56.70)	-
VI. PROFIT/(LOSS) AFTER TAX BEFORE SHARE OF MINORITY INTEREST		**309.69**	**(146.59)**
Share of Minority Interest		64.48	-
VII. PROFIT/(LOSS) AFTER MINORITY INTEREST		**374.17**	**(146.59)**
Balance brought forward		(52.53)	124.25
Included on Amalgamation		24.53	-
Consolidation Adjustment		(6.35)	(16.22)
VIII. PROFIT AVAILABLE FOR APPROPRIATIONS		**339.82**	**(38.56)**
IX. APPROPRIATIONS			
Proposed dividend on equity shares		42.47	11.09
Tax on proposed equity dividend		7.22	1.88
Transfer to general reserve		15.59	1.00
Balance carried forward to Balance sheet		274.54	(52.53)
X. Total		**339.82**	**(38.56)**
XI. EARNINGS PER SHARE			
(Refer Note 15 of Schedule O)			
(Face value of Rs.10 each)			
– Basic (in Rs.)		17.62	(13.22)
– Diluted (in Rs.)		17.62	(13.22)
Accounting policies and notes on accounts	O		
The Schedules referred to above and significant accounting policies and notes thereon form an integral part of the Profit & Loss Account			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das — *Executive Director*

Ravishankar K R — *Chairman & Managing Director*

Lata Varshney — *Company Secretary*

CONSOLIDATED

CASH FLOW STATEMENTS

for the year ended March 31, 2010

			(Rs. In Million)
		For the Year ended March 31, 2010	For the Year ended March 31, 2009
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		394.95	(126.42)
Adjustments for:			
Depreciation and amortisation		239.10	64.79
Bad debts & provision for doubtful debts		53.43	1.42
Provision for dimunition in the value of investments		0.21	1.43
Unrealised Exchange Gain		(13.13)	(1.15)
Profit on sale of subsidiary & associate (net)		(181.87)	-
Loss/(Profit) on sale of assets		(0.56)	0.90
Interest Expenses		189.00	50.51
Dividend income		(0.01)	-
Interest income		(14.44)	(14.78)
Operating profit before working capital changes		**666.68**	**(23.30)**
CHANGES IN WORKING CAPITAL			
(Increase)/Decrease in Trade and other receivables		(262.89)	(134.27)
(Increase)/Decrease in Inventories		(177.76)	(20.69)
Increase/(Decrease) in Trade and other payables		(21.63)	147.08
Net change in working capital		**(462.28)**	**(7.88)**
Cash generated from operations		**204.40**	**(31.18)**
Direct taxes paid		(35.45)	(18.61)
Net cash from Operating Activities	A	168.95	(49.79)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets / CWIP		(249.31)	(76.23)
Sale of Fixed assets		3.71	1.00
Investment in Associates		(0.04)	(150.35)
Purchase of short term investment		(3.94)	-
Sale of subsidiary & associate		279.09	-
Sale of other investment		2.50	6.50
Loans (given)/refunded to/by affiliates (Net)		(82.54)	(78.36)
Interest received		9.94	3.74
Dividend Received		0.01	-
Net cash used in Investing Activities	**B**	**(40.58)**	**(293.70)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		379.48	157.76
Share Issue Expenditure		(3.94)	-
Proceeds from / (Repayment of) of long term borrowings		(241.33)	249.99
Interest paid on borrowings		(189.27)	(48.31)
Proceeds from issue of shares to Minority Shareholders		8.54	-
Dividend paid		(11.09)	(13.87)
Dividend distribution tax paid		(1.88)	(2.36)
Net cash generated from Financing Activities	**C**	**(59.49)**	**343.21**
Net Increase/(Decrease) in cash and cash equivalents during the year	**(A+B+C)**	**68.88**	**(0.28)**
Cash and cash equivalents as at 31.03.2009		41.03	41.31
Included on amalgamation		30.86	-
Deleted on Divestment		(0.25)	-
Translation Effect		0.16	-
Cash and cash equivalents at the end of the year		**140.68**	**41.03**
Note: Refer Note 18 of Schedule 'O' for Notes on Cash Flow Statement			

As per our report of even date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

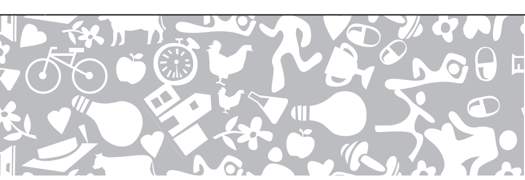
Bangalore, 28th May, 2010

For and on behalf of the Board

Dr. Gautam Kumar Das	**Ravishankar K R**	**Lata Varshney**
Executive Director	*Chairman & Managing Director*	*Company Secretary*

SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010	**March 31, 2010**	(Rs. In Million) March 31,2009
SCHEDULE - A		
Share Capital		
1. Authorised		
a) Equity	250.00	150.00
25,000,000 equity shares of Rs.10 each (Previous Year 15,000,000 equity shares of Rs 10 each)		
	250.00	**150.00**
2. Issued, subscribed and paid-up		
a) Equity		
21,935,191(Previous year 11,085,191) equity shares of Rs.10 each fully paid	219.35	110.85
Less : Amount receivable from Sequent Scientific Employee Stock Option Scheme Trust (Being Face value of 700,000 Equity Shares of Rs.10 each allotted to the Trust)	7.00	-
(Refer Note 16 of Schedule O)	**212.35**	**110.85**
Of the above:-		
i) 10,150,000 Equity Shares of Rs.10 each were allotted to the share holders of erstwhile Sequent Scientific Limited, consequent to amalgamation with the Company.		
ii) 700,000 Equity Shares of Rs.10 each were allotted to the Sequent Scientific Employee Stock Option Scheme Trust		

SCHEDULE - B		
Reserves and Surplus		
1. General Reserve		
Opening Balance	120.88	64.15
Add : Transfer from Profit and Loss account	15.59	1.00
Add : Transfer from Amalgamated Reserve Account	-	18.37
Add : Excess of Investments over Net Assets Takenover	-	32.47
Add : Profit for the year 2007-08 of merged company	-	4.89
	136.47	**120.88**
2. Translation Reserve		
Opening Balance	(8.93)	-
Add : Transaction during the year	(10.02)	(8.93)
Closing Balance	**(18.95)**	**(8.93)**
3. Securities Premium		
Opening Balance	234.95	234.95
Add: Included on Amalgamation	445.39	-
Less: Share Issue Expenses	(3.94)	-
Less: Set-off of Goodwill arising on amalgamation	(163.00)	-
Add: Premium on allottment of shares during the year	72.10	-
Less: Amount receivable from Sequent Scientific Employee stock option Scheme Trust	(72.10)	-
(Refer Note 16 of Schedule O)		
	513.40	**234.95**
4. Amalgamated Reserve		
Opening Balance	-	18.37
Less: Transfer from Amalgamated Reserve Account	-	18.37
Closing Balance	-	-
5. Profit & Loss Account	274.54	(52.53)
Total	**905.46**	**294.35**



SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

SCHEDULE - C	March 31, 2010	March 31,2009
Loan Funds		
A. Secured Loans		
1. Long term loans		
a) From banks	951.94	295.80
b) From others	41.24	237.93
	993.18	**533.73**
2. Short term loans		
a) From banks (Refer Note e below)	539.48	249.03
	539.48	**249.03**
Total	**1532.66**	**782.76**

Notes :

a) Long term loans, other than hire purchase loans and except for loan mentioned under point (b) below, are secured by first pari-passu charge on fixed assets of the Company & second pari-passu charge on current assets of the Company as a collateral.

b) Long Term Loan from Bank of india amounting to Rs. 200 Million is secured by a second pari-passu charge on fixed assets of the Company.

c) Housing loans & Vehicle loans from Bank(s) are secured by hypothecation of asset acquired thereunder.

d) Long term loans (other than hire purchase loans) due within one year Rs. 200.39 mio(Previous year Rs.99.83 mio). Hire purchase loans from banks due within one year Rs 4.4 mio (Previous year Rs.1.8 mio).

e) Short term loans are secured by a first pari-passu charge on current assets of the Company and a second pari-passu charge on fixed assets of the Company as a collateral.

f) Some of the above loans are guaranteed by some of the Directors of the Company in their personal capacities.

B. Unsecured Loans		
1. Long term loans		
a) From banks	48.68	-
b) From Others	12.33	-
	61.01	**-**
2. Short term loans		
a) From banks	41.43	-
b) From Others	116.05	187.17
	157.48	**187.17**
Total	**218.49**	**187.17**

SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

Sl No	Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
		As on 1-Apr-09	Additions				As on 31-Mar-10	Up to 31-Mar-09	For the Year	Consoli-dation Adjust-ment	Withdrawn On Deletions	Included on Amalgamation	Up to 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
			Additions during the Year	Included on Amalgamation	Consolidation Adjustment	Deletions during the Year									
SCHEDULE - D															
Fixed Assets															
1	Freehold Land	4.79	0.36	80.98	(4.10)	-	82.03	**-**	-	-	-	-	-	**82.03**	**4.79**
2	Leasehold Land	29.77	0.03	20.86	-	-	50.66	**1.48**	0.70	-	-	1.16	3.34	**47.32**	**28.29**
3	Land Development	0.78	-	-	-	-	0.78	**-**	-	-	-	-	-	**0.78**	**0.78**
4	Leasehold Property- Development	13.93	-	-	-	-	13.93	**0.23**	1.39	-	-	-	1.62	**12.31**	**13.70**
5	Building	332.94	7.57	225.80	(150.27)	1.24	414.80	**27.50**	19.23	(10.87)	0.19	10.59	46.26	**368.54**	**305.44**
6	Furniture & Fixtures	17.64	2.58	3.98	(0.49)	0.45	23.26	**2.41**	1.63	(0.08)	0.26	0.63	4.33	**18.93**	**15.23**
7	Office Equipment & Computers	10.79	3.07	7.33	11.99	0.27	32.91	**4.45**	3.45	7.17	0.25	0.97	15.79	**17.12**	**6.34**
8	Plant & Machinery	715.87	43.90	506.58	(253.28)	0.48	1,012.59	**143.16**	109.52	(45.02)	0.21	52.73	260.18	**752.41**	**572.71**
9	Motor Vehicles	13.38	1.51	6.39	1.87	2.08	21.07	**2.90**	2.82	2.22	0.45	1.26	8.75	**12.32**	**10.48**
10	Registrations & Brands	-	2.30	-	54.00	-	56.30	**-**	3.29	49.14	-	-	52.43	**3.87**	**-**
11	Software Licenses	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**-**
12	Intangible Assets	11.31	33.79	-	(11.31)	-	33.79	**3.71**	18.41	(3.72)	-	-	18.40	**15.39**	**7.60**
TOTAL		**1,151.20**	**95.11**	**851.92**	**(351.59)**	**4.52**	**1,742.12**	**185.84**	**160.44**	**(1.16)**	**1.36**	**67.34**	**411.10**	**1,331.02**	**965.36**
Less: Depreciation capitalised for Intangible assets developed during the year									(18.04)						
Depreciation for the year charged to Profit & Loss Account									142.40						
Capital Work In Process & Capital Advances*		164.55	**219.26**	**13.25**	**(111.80)**	**48.94**	**236.32**							**236.32**	**164.55**
TOTAL		1,315.75	**314.37**	**865.17**	**(463.39)**	**53.46**	**1,978.44**	**185.84**	**142.40**	**(1.16)**	**1.36**	**67.34**	**411.10**	**1,567.34**	**1,129.91**
Previous Year		536.58	**89.59**	**705.73**	**-**	**16.15**	**1,315.75**	**76.71**	**64.79**	**1.43**	**0.90**	**43.81**	**185.84**	**1,129.91**	**459.87**

* Capital Work-in-Progress includes intangibles of Rs. 49.14 Mio. for product and process under development

SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

SCHEDULE - E			March 31, 2010		March 31,2009	
		Face Value	Nos	Value	Nos	Value
Investments						
1. Long term investments - Unquoted (at cost)						
A) Trade investments						
Monies pending allottment - Vedic Elements Private Limited				-		150.35
Associates						
Elysian Life Sciences Private Limited	Equity			0.04		
B) Non Trade investments - Unquoted						
Panoli Enviro Tech Ltd.	Equity	Rs. 10	23,700	0.24	-	-
ACMA CETP	Equity	Rs. 10	1,000	0.01	1,000	0.01
TIMA CETP	Equity	Rs. 10	2,000	0.04	2,000	0.04
2. Current Investments						
(at lower of cost and estimated net realisable value)						
A. Quoted						
Agrodutch Industries	Equity	Rs. 10	36,250	0.83	36,250	0.27
Transchem Ltd	Equity	Rs. 10	32,500	0.44	32,500	0.21
N B Footware	Equity	Rs. 10	100,000	-	100,000	-
Agrotech India Ltd	Equity	Rs. 10	6,300	-	6,300	-
Nath Bio Genes (I) Ltd	Equity	Rs. 10	6,930	-	6,930	-
Nath Seed Ltd	Equity	Rs. 10	18,270	-	18,270	-
B. Unquoted						
Aditya Investment & Communication Ltd	Equity	Rs. 10	58,800	-	58,800	-
Anantroop Trading Pvt Ltd	Equity	Rs. 10	-	-	25,000	2.50
Investment in Mutual funds	Equity	Rs. 10	186,825	3.00	100,000	0.56
Investment in Gold			-	0.79	-	-
National Saving Certificate			-	0.02	-	-
NSC VIII Issue - Tarapur			-	0.06	-	-
				5.47		**153.94**
Aggregate book value of unquoted investments				4.20		153.46
Aggregate book value of quoted investments				1.27		0.48
Market value thereof				1.27		0.48

SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)

(Rs. In Million)

				March 31, 2010		March 31,2009	
SCHEDULE - E (Contd.)							
Additions during the year :				**Nos**	**Cost**		
i)	Gold	Gold		500 Gms.	0.79		
ii)	SBI Infrastructure Series Growth Fund	Units of Mutual Fund		36,825	1.94		
ii)	Elysian Life Sciences Pvt. Ltd.	Equity		4,000	0.04		
Investment included on amalgamation				**Nos**	**Cost**		
i)	Panoli Enviro Tech Ltd.			23,700	0.24		
ii)	Investment in Mutual funds			50,000	0.50		
ii)	National Saving certificate				0.08		
Deletion during the year :							
				Nos	**Cost**	**Sale Value**	**Profit on Sale**
i)	Anantroop Trading Pvt Ltd.	Equity		25,000	2.50	2.50	-
Note: All Investment in shares are fully paid up.							

(Rs. In Million)

	March 31, 2010	March 31,2009
SCHEDULE - F		
Current Assets, Loans & Advances		
A. Current assets		
1. Inventories		
a) Raw materials and packing materials	190.91	121.87
b) Work-in-process and intermediates	169.95	118.89
c) Finished goods	199.90	77.74
d) Others	2.37	1.34
Total	**563.13**	**319.84**
2. Sundry Debtors (unsecured)		
a) More than Six months		
- Considered Good	3.00	196.62
- Considered Doubtful	0.77	1.42
b) Others		
- Considered Good	550.84	197.88
- Considered Doubtful	-	-
	554.61	**395.92**
Less : Provision for Doubtful Debts	0.77	1.42
Total	**553.84**	**394.50**

SCHEDULES forming part of the Consolidated Balance Sheet as at March 31, 2010 (Contd.)		(Rs. In Million)
	March 31, 2010	March 31,2009
SCHEDULE - F (Contd.)		
3. Cash and bank balances		
a) Cash in hand	1.12	0.90
b) Balance with banks		
i) In current account	103.23	26.63
ii) in margin money account	36.08	13.50
iii) in fixed deposit account	0.25	-
Total	**140.68**	**41.03**
B. Loans and advances (unsecured, considered good)		
a) Advance recoverable in cash or in kind or for value to be received	127.87	133.76
b) MAT credit availed	56.70	-
c) Advance income tax and tax deducted at source	87.17	62.82
d) Deposits with and dues from Government departments	88.29	138.59
e) Deposits with others	110.78	77.64
Total	**470.81**	**412.81**
Total	**1,728.46**	**1,168.18**

SCHEDULE - G		
Current Liabilities and Provisions		
A. Current liabilities		
a) Sundry Creditors	577.08	626.98
b) Interest accrued but not due	2.45	2.20
c) Other Liabilities	49.21	54.57
d) Advances received from customers	1.30	-
Total	**630.04**	**683.75**
B. Provisions		
a) Leave salary	13.54	185.13
b) Gratuity	17.24	2.15
c) Income taxes	136.13	67.17
d) Proposed equity dividends	42.47	11.09
e) Tax on proposed equity dividends	7.22	1.88
Total	**216.60**	**267.42**
Total	**846.64**	**951.17**

SCHEDULES forming part of the Consolidated Profit & Loss Account for the year ended at March 31, 2010

(Rs. In Million)

	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE - H		
Sales & Services		
a) Sale of product	2,854.61	1,492.49
Less: Excise duty	68.03	52.28
Net sales	2,786.58	1,440.21
b) Analytical Services	57.90	-
Total	**2,844.48**	**1,440.21**

SCHEDULE - I		
Other Income		
a) Dividend from Long Term Investments	0.01	-
b) Exchange fluctuation gain (Net)	14.50	-
c) Loan Waived	69.65	-
d) Profit on Disposal of a Subsidiary/Joint Venture (net)	181.87	-
e) Other Income	19.70	50.33
f) Interest Received	14.44	14.78
Total	**300.17**	**65.11**

SCHEDULE - J		
Materials Consumed		
Opening stock	121.87	103.70
Opening stock Included on amalgamation	49.75	-
Consolidation Adjustment	(58.10)	-
Total	**113.52**	**103.70**
Add: Purchases	1,452.08	770.34
Less: Closing stock	190.91	121.87
Total	**1,374.69**	**752.17**

SCHEDULE - K		
(Increase) / Decrease In Stock		
i) Opening stock		
Work in process	118.89	22.44
Finished goods	77.74	82.74
	196.63	**105.18**
ii) Opening stock Included on amalgamation		
Work in process	9.30	1.42
Finished goods	33.35	3.31
	42.65	**4.73**
iii) Consolidation Adjustment		
Work in process	14.70	-
Finished goods	21.53	-
	36.23	**-**
iv) Closing stock		
Work in process	169.95	118.89
Finished goods	203.77	77.74
	373.72	**196.63**
Total	**(98.21)**	**(86.72)**

SCHEDULES forming part of the Consolidated Profit & Loss Account for the year ended at March 31, 2010 (Contd.)

(Rs. In Million)

	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE - L		
Personnel Cost		
Salaries, wages and allowances	223.47	165.15
Contribution to provident & other funds	37.14	46.35
Staff welfare expenses	37.94	9.38
Total	**298.55**	**220.88**

SCHEDULE - M		
Operating and Other Expenses		
Power, fuel & water	144.02	187.18
Consumables	39.41	124.07
Conversion & Processing charges	126.50	75.46
Contract Labour Charges	39.98	26.31
Freight & forwarding	36.20	19.85
Rent	18.79	4.24
Rates & taxes	4.50	0.85
Communication charges	10.16	5.17
Repairs & maintenance		
- Buildings	28.81	4.49
- Machinery	25.18	21.84
- Others	37.71	31.85
Insurance	2.86	4.05
Travelling & conveyance	28.89	6.31
Advertisement & Selling expenses	14.12	23.22
Commission on sales	19.82	-
Legal & Professional fees	50.57	20.58
Other expenses	38.44	36.70
Analytical Charges	1.38	-
Bad & Doubtful debts	53.43	-
Exchange fluctuation Loss (Net)	-	37.92
Total	**720.77**	**630.09**

SCHEDULE - N		
Finance Charges		
Bank charges & commission	29.20	9.81
Interest on working capital & other facilities	71.05	18.00
Interest on Fixed loans	116.40	22.71
Total	**216.65**	**50.52**

A. Basis of Consolidation

The Consolidated Financial Statements relate to Sequent Scientific Limited (the Company), and its subsidiary companies together "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company, i.e. March 31, 2010 except that of following entities:-

S.No.	Name of Entity	Year End date
1	Galenica B.V.	December 31, 2009
2	Codifar N.V.	December 31, 2009
3	Vedic Fanxipang Pharamachemic Company Limited	December 31, 2009

1. Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

a. The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated fully.

b. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus'.

c. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

d. Investment in Associates has been accounted under the equity method as per Accounting Standard – 23, Accounting for investments in Associates in Consolidated Financial Statements.

2. Information on Subsidiary Companies, Associates & Joint Ventures:

a. The following subsidiary companies are considered in consolidated financial statements:

No.	Name of the entity	Country of Incorporation	Ownership at March 31, 2010 held by	Status	% Ownership held either directly or through subsidiary as at March 31, 2010	% Ownership held either directly or through subsidiary as at March 31, 2009
1	Sequent Global Holdings Limited	Mauritius	Sequent Scientific Limited	Subsidiary	100%	100%
2	Sequent European Holdings Limited	Cyprus	Sequent Global Holdings Limited	Subsidiary	100%	100%
3	Sequent IPCO Gmbh	Switzerland	Sequent European Holdings Limited	Subsidiary	100%	-
4	Galenica B.V.	Netherlands	Sequent Scientific Limited	Subsidiary	50.25%	-
5	Codifar N.V.	Belgium	Galenica B.V.	Subsidiary	50.25%	-
6	Sequent Research Limited	India	Sequent Scientific Limited	Subsidiary	100%	-
7	Sanved Research Labs Private Limited	India	Sequent Scientific Limited	Subsidiary	75%	-
8	Vedic Elements Private Limited	India	Sequent Scientific Limited	Subsidiary	100%	-
9	Vedic Fanxipang Pharmachemic Company Limited	Vietnam	Vedic Elements Private Limited	Subsidiary	90%	-

In respect of entities in Sl. No. 5.6, 7, 8 & 9 the Company's cost of investment is in excess of its share of equity on the date of investment and the difference has been recognized as Goodwill.

b. The following associate companies have not been considered for consolidation, being not material to the group

No.	Name of the entity	Country of Incorporation	Ownership at March 31, 2010 held by	Status	% Ownership held either directly or through associate as at March 31, 2010	% Ownership held either directly or through associate as at March 31, 2009
1	Elysian Life Sciences Private Limited	India	Balasubramanian Mahalingam	Associate	40%	-
2	Elysian Health Care Private Limited	India	Elysian Life Sciences Private Limited	Associate	40%	-

Disclosure on effect of acquisition and disposal of Subsidiaries

Particulars	Acquisition – Sequent Research Limited	Acquisition – Vedic Elements Private Limited	Acquisition - Sanved Research Labs Private Limited	Acquisition – Vedic Fanxipang Pharma Chemic Company Limited	Disposal – Strides Italia S.R.L
Date	April 1, 2009	April 1, 2009	April 1, 2009	April 1, 2009	April 1, 2009
Liabilities					
Loans	162.27	140.97	0.02	-	321.31
Current Liabilities & Provisions	17.43	0.80	0.42	-	585.33
Deferred Tax Liability			0.07	-	
Assets					
Fixed Assets	132.68	24.41	2.06	15.81	649.19
Goodwill	94.53	216.88	18.15	20.29	-
Investments	-	159.20	-	-	-
Current Assets	52.57	18.99	0.33	55.64	433.07
Reserves	(6.04)	16.95	2.51	8.62	135.98
Profit / (Loss) after Tax for the year	0.65	(19.74)	(2.70)	(1.70)	-

3. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.
4. The Consolidated Financial Statements include the share of assets, liabilities, income and Expenses aggregating to amounts indicated below, which are included on the basis of unaudited financial statements in respect of the following:
   a. Sequent IPCO
   b. Sequent European Holdings Limited (SEHL)
   c. Sequent Global Holdings Limited
   d. Galenica B.V.
   e. Codifar N.V.
   f. Vedic Fanxipang Pharma Chemic Company Limited

(Rs. In Millions)

Particulars	Amount
Current assets	199.88
Current Liabilities	32.41
Income	391.56
Expenditure	367.07

5. **Exchange Adjustments :**

On Consolidation,

a. In the case of non-integral operations, assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Revenue and expenses are translated at yearly average exchange rates prevailing during the year. Exchange differences arising out of these translations are included in 'Translation Reserve' under Reserves and Surplus.

b. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the balance sheet date. Non monetary items are carried at historical cost. Revenue and expenses are translated at yearly average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Profit and Loss account.

B. Other Notes on Accounts

1. A. Amalgamation of Sequent Scientific Limited with the Company:

The Scheme of Amalgamation of Sequent Scientific Limited ("Transferor Company") with the Company with an Appointed Date of April 1, 2008 (the Scheme) has been sanctioned by the High Court of Bombay and came into effect on 16 September 2009. In terms of the Scheme:

a. The amalgamation has been accounted for under the purchase method prescribed by Accounting Standard (AS) 14 – Accounting for Amalgamations notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and accordingly value of assets and liabilities of the transferor Company have been accounted at fair values based on an independent valuation report or at values determined by the Management and as approved by the Board of Directors.

b. All assets and liabilities of the Transferor Company have been transferred to and vested in the Company retrospectively with effect from April 1, 2008.

c. Seven equity shares of Rs.10 each were allotted for every three equity shares held by the shareholders of the Transferor Company resulting in the allotment of 10,150,000 shares of Rs.10 each to the shareholders of the Transferor Company.

d. The net deficit on amalgamation of Rs.163.00 million representing the excess of shares allotted over the fair value of net assets amalgamated has been set off against the balance in the Securities Premium Account.

e. The assets and liabilities as at April 1, 2008 taken over have been accounted at their fair values as follows:

	(Rs. in million)
Particulars	Amount
Fixed Assets	802.95
Investments	1.33
Inventory	70.51
Debtors	108.04
Loans & Advances	126.61
Cash & Bank balances	7.78
Total (A)	**1117.22**
Reserves & Surplus	219.74
Current Liabilities & Provisions	324.62
Secured Loans	598.45
Unsecured Loans	10.91
Deferred tax liability	25.00
Total (B)	**1178.72**
Excess of Liabilities & Reserves over Assets taken over (A)-(B)	61.50
Settled through: Allotment of 10,150,000 equity shares of Rs. 10 each fully paid at par in the Company to the shareholders of the Transferor Company in the ratio of 7 shares in the Company for every 3 shares held by them in the Transferor Company.	101.50
Net deficit on amalgamation representing the excess of shares allotted over the fair value of net assets amalgamated set off against Securities Premium as per the Scheme	163.00

B. During the previous year, the Company had acquired all the assets and liabilities of its wholly owned subsidiary company Elixir Chemicals Private Ltd. (Elixir) with effect from the Appointed Date April 1, 2007, pursuant to a scheme of Amalgamation of Elixir Chemicals Private Limited with the Company as approved by the Honourable High Court of Bombay vide order dated March 20, 2009. Since the Amalgamating Company was wholly owned subsidiary company, no consideration was paid as per the scheme. The said amalgamation was in the nature of merger and had been accounted as pooling of interest method in accordance with the Accounting Standard 14 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India and as per the treatment prescribed by the scheme. The Accounting treatment followed was as under:

1. All the assets and liabilities of Elixir, as appearing in the books as on April 1, 2007, were recorded in the books of the Company at the respective book values.
2. Difference between carrying cost of the investment in the Elixir as appearing in the books of the Company and the net assets of Elixir of Rs. 32. 47 Mio was adjusted in General Reserve as per the scheme.
3. Elixirs profit after tax for the year ended 31st March 2008 amounting to Rs. 4.89 Mio was credited to the General Reserve account.
4. The inter-company balance of Rs. 76.37 Mio as on 1st April 2008 as appearing in the books of Elixir and the Company was eliminated.

2. Proposed Amalgamation of Vedic Elements Private Limited(wholly owned subsidiary of the company) with the Company:

The Scheme of Amalgamation of Vedic Elements Private Ltd (VEPL) with the Company from October 1, 2009 has been approved by Board of the respective companies in their meeting held on 27 Jan 2010. Under the scheme all, assets and liabilities of VEPL will be transferred and recorded in the books as per valuation report or value determined by the Management of the Company. Upon the Scheme becoming effective, the shares held by the Company in VEPL shall be cancelled and extinguished and no shares will be issued by the VEPL in consideration of this scheme of amalgamation. The scheme is pending approval of the High Court and therefore no effect has been given to this scheme in this financials.

3. In terms of the Central Government approval under Section 212(8) of The Companies Act, 1956, the audited Financial Statements of the Company's following subsidiaries have not been attached to this Report. However, following information is being given:-

(Rs. in million)

	Name of Subsidiary		
Particulars	Sequent Research Limited	Vedic Elements Private Limited	Sequent European Holdings Limited
Year end date	March 31, 2010	March 31, 2010	December 31, 2009
Capital	41.60	70.00	19.77
Reserve	(5.39)	(26.03)	30.14
Total assets	215.35	193.32	135.70
Total Liabilities	179.14	149.35	85.79
Investment	-	-	-
Turnover	105.31	1.72	
PBT	0.65	(19.29)	129.54
Provision for Tax	-	0.44	-
PAT	0.65	(19.74)	129.54
Proposed Dividend	-	-	-

4. Estimated amounts of contracts remaining to be executed on capital account Rs. 82.95 Mio (previous year Rs. 12.78 Mio)

5. Contingent Liabilities

		(Rs. in million)
Particulars	As at March 31, 2010	As at March 31., 2009
Bank guarantee and letter of credits	2.40	25.17
Sales tax	13.02	-
Income tax	11.11	0.62
Bills Receivables discounted with banks	97.03	-
TOTAL	123.56	25.79

The Company has given a Corporate guarantee to Rabo bank, Netherlands towards a loan secured by its subsidiary (Galenica B.V.) amounting to Euro.0.6 Millions. (Rs.36.62 Million) (Previous Year: Rs. Nil)

6. Un-hedged Foreign Currency Exposure
The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(Rs. in million)

Receivable/ (Payable)	Receivable/ (Payable) In Foreign currency		Receivable/ (Payable)	Receivable/ (Payable) In foreign currency	
At March 31, 2010			At March 31, 2009		
(0.91)	Euro	(0.01)	-	Euro	-
(310.53)	USD	(6.89)	(3.97)	USD	(0.08)
19.20	Euro	0.32	111.68	USD	2.20

7. Details of Hedged Foreign Currency Exposure:
Forward Exchange Contracts, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables, outstanding as on March 31, 2010 are given below:

No. of contracts	Nature of Hedge buy/Sell	Currency	Amount in USD in Million	Cross currency	Amount (Rs. in Million)
11	Sell-Receivable	USD	3.62	Rs.	160.91 (PY Nil)
	Highly Probable forecast transaction	USD	6.13	Rs.	274.48 (PY Nil)
1	Buy-Payable	USD	1.5	Rs.	67.59 (PY Nil)

8. Segment Reporting:

Since the Company predominantly operated in the Pharmaceuticals segment in the previous year, no segmental disclosures have been provided for the previous year.

Consequent to the amalgamation with erstwhile Sequent Scientific Limited as specified in Note B.1 (A) above, the Company has identified Pharmaceuticals, Analytical Services and Specialty Chemicals as its business segments for the current year. Segments have been identified taking into account the nature of services, the differing risks & returns, the organizational structure & the internal reporting system. The disclosures required under Accounting Standard 17 - ‘Segment reporting’, issued under Companies (Accounting Standards) Rules, 2006 are provided below.

Primary Segment information (Business Segment)

	(Rs. in million)
Particulars	2009-10
I) Segment Revenue	
a. Pharmaceuticals	2,238.77
b. Speciality Chemicals	596.14
c. Analytical Services	57.90
Total Segment Revenue	**2,892.81**
Less: Intersegment Revenue	(48.33)
Total Income	**2,844.48**
II) Segment Result	
a. Pharmaceuticals	234.85
b. Speciality Chemicals	197.02
c. Analytical Services	12.05
Total Segment Result	**443.92**
Less: Interest Paid & other financial charges	(218.00)
Add: Other Un-allocable Income net of Un-allocable Expenditure	169.023
Total Profit Before Tax	**394.95**
Less: 1. Provision for Income Tax	67.71
2. Deferred Tax Adjustment	74.25
3. MAT Credit Entitlement	(56.70)
4. Minority Interest	(64.48)
Net Profit After Tax	**374.17**
III) Other Information	
a) Segment Assets	
a. Pharmaceuticals	2,377.31
b. Speciality Chemicals	408.61
c. Analytical Services	159.61
Total segment assets	**2,945.53**
Add: Un-allocable Corporate Assets	874.20
Total Assets	**3,819.73**

b) Segment Liabilities	
a. Pharmaceuticals	545.36
b. Speciality Chemicals	79.55
c. Analytical Services	8.18
Total segment liabilities	**633.09**
Add: Un-allocable Corporate Liabilities	2,068.83
Total Liabilties	**2,701.92**
c) Capital Expenditure	
a. Pharmaceuticals	296.79
b. Speciality Chemicals	7.22
c. Analytical Services	6.36
d. Un-allocable	4.00
Total	**314.37**
d) Depreciation	
a. Pharmaceuticals	99.30
b. Speciality Chemicals	27.78
c. Analytical Services	11.67
d. Un-allocable	3.65
Total	**142.40**

Secondary Segment Information (Geographical segment)

Distribution of the Company's turnover by geographic location of customers

Europe	986.33
Asia	1,617.05
Rest of the World	289.43
Total	**2,892.81**
Segment assets by location of customers (receivables classified based on location of customer)	
Europe	266.52
Asia	2,587.96
Rest of the World	91.05
Total	**2,945.53**
Cost incurred during the year to acquire segment assets (tangible & intangible fixed assets)	
Europe	3.28
India	311.09
Total	**314.37**

9. Employee Benefits:

The Company has a defined benefit gratuity plan. The following table summarises the components of net employee benefit expenses recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(Rs. in million)

	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
A	Current Service cost	5.04	1.20
B	Interest cost	1.00	0.34
C	Expected return on plan assets	(0.62)	(0.34)
D	Actuarial Losses/(Gains)	7.78	1.49
E	Total expense recognised in the Statement of Profit & Loss	13.20	2.69
II	**Actual Contribution and Benefits Payments**		
A	Actual benefit payments	(1.18)	(1.42)
B	Actual Contributions	4.40	2.11
III	**Net asset/(liability) recognised in balance sheet**		
A	Present value of Defined Benefit Obligation (DBO)	26.60	6.65
B	Fair value of plan assets	9.36	4.49
	Unrecognised past service costs	-	-
C	Funded status [Surplus/(Deficit)]	(17.24)	(2.15)
D	Net asset/(liability) recognised in balance sheet	(17.24)	(2.15)
IV	**Change in Defined Benefit Obligations during the year ended**		
A	Present Value of DBO at beginning of period	6.64	3.82
B	Included on Amalgamation	7.28	1.18
C	Current Service cost	5.04	1.20
D	Interest cost	1.00	0.34
E	Curtailment cost/(credit)	-	-
F	Settlement cost/(credit)	-	-
G	Actuarial (gains)/ losses	7.82	1.52
H	Benefits paid	(1.18)	(1.42)
	Present Value of DBO at the end of period	26.60	6.64
V	**Change in Fair Value of Assets during the year ended**		
A	Plan assets at beginning of period	4.48	3.02
B	Included on Amalgamation	1.00	0.40
C	Actual return on plan assets	0.62	0.34
D	Actuarial (gains)/losses	0.04	0.03
E	Actual Company contributions	4.40	2.11
F	Benefits paid	(1.18)	(1.42)
G	Plan assets at the end of period	9.36	4.48
	Actuarial Assumptions for Gratuity		
A	Discount Rate	8%	7%
B	Expected Return on plan assets	6%	5%
C	Salary escalation	Thane-10% Mangalore-11%	Thane-7%
D	Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
E	Withdrawal Rates	Thane-8% Mangalore-12%	Thane-8%

Note:-

a. The details with respect to the investment by the Fund Manager (LIC & SBI Life) into major categories of plan assets have not been disclosed, as the same has not provided by the Fund Managers to the Company.

Details of payments to defined contribution plans (amount in Rs million.):

Provident Fund : Rs. 37.14 (PY: Rs. 46.35)

10. Related Party Disclosures

List of related parties:

Holding Company:

Fraxis Life Sciences Private Limited

Associates

Elysian Life Sciences Private Limited

Elysian Health Care Private Limited (wholly owned subsidiary of Elysian Life Sciences Private Limited)

Key Management Personnel & Enterprises owned or significantly influenced by key management personnel and relative of key management personnel:

Mr. K.R.Ravishankar –Managing Director & Chief Executive Officer

Mr Gautam Kumar Das, Executive Director & Chief Operating Officer (w.e.f January 7, 2010)

Mr. S.N.Jagannath - Executive Director (Resigned w.e.f January 6, 2010)

Strides Acrolab Limited

Linkace Limited, Cyprus

ATMA Projects

Agnus Holdings Private Limited

Strides Italia S.r.l. (In Liquidation)

Latitude Projects Private Limited

Strides Vital Nigeria Limited

Deesha Properties

Deesha Fine Chemicals

Paradime Resorts

Agnus Global Holdings Pte Limited, Singapore

Agnus IPCO Limited, British Virgin Islands

Note: Related parties are as identified by the Company and relied upon by the Auditors.

(Rs. in million)

Nature of Transactions	Associates		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09
A. Transactions during the year:						
Sales of materials/services						
1 Strides Arcolab Limited					577.27	1.00
2 Strides Vital Nig. Ltd.					0.01	7.99
Sales Return						
1 Strides Arcolab Limited					20.86	
Interest and Other Income						
1 Strides Arcolab Ltd.					3.66	-
2 Agnus Holdings Pvt. Ltd.					4.11	0.76
3 Paradime Resorts					3.21	-
Purchase of materials /consumables						
1 Strides Arcolab Ltd.					20.42	-
2 Strides Italia SRL (Diaspa)					1.04	-
3 Deesha Fine Chemicals					1.05	-
Purchase of Machinery/Assets						
1 Strides Arcolab Ltd.					-	0.18
2 Latitude Projects Pvt. Ltd.					-	9.99

(Rs. in million)

Nature of Transactions	Associates		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09
Managerial Remuneration						
1 Mr. K. R. Ravishankar					18.00	5.04
2 Mr. S. N. Jagannath (Till 06.01.2010)					1.19	0.72
3 Dr. G. K. Das (w.e.f. 16.11.2009)					3.38	-
4 L.N.Bhat (Till 15.11.2008)					-	6.49
Reimbursement of Expenses to						
1 Strides Arcolab Ltd.					16.08	-
Rent						
1 Atma Projects Pvt Ltd.					5.12	2.21
2 Deesha Properties					17.56	-
Bad debts written off						
1 Strides Arcolab (FA) Ltd.					5.60	-
2 Strides Vital Nig. Ltd.					0.01	-
3 Strides Arcolab Ltd.					14.98	-
Licence fee paid						
1 Strides Vital Nigeria Ltd.					0.91	-
Loans / advances given by Company (incl capital advances)						
1 Latitude Projects Pvt. Ltd.					0.05	1.80
2 Elysian Life Sciences Pvt Ltd.	0.63	-				-
3 Linkace Limited					1.34	-
4 Agnus IPCO Limited					1.88	-
5 Agnus Global Holdings Pte Limited					37.57	-
6 Strides Arcolab Limited					13.26	-
Loans / advances repaid to Company						
1 Latitude Projects Pvt. Ltd.					1.40	
2 Strides Arcolab Limited					13.26	
Loans / advances taken by Company						
1 Strides Arcolab Limited					0.20	
2 Agnus Holdings Pvt Ltd.					2.85	
Loans / advances repaid by Company						
1 Linkace Limited					29.52	
2 Agnus Holdings Pvt Ltd.					59.29	
Investments during the period (incl pending allotment)						
1 Agnus Holdings Pvt Ltd.					-	150.35
Subscription to Memorandum						
1 Elysian Life Sciences Pvt Ltd	0.04	-				
Deposits given						
1 Atma Projects Pvt Ltd.					9.11	4.14
Intercorporate Deposits Given						
1 Strides Arcolab Ltd.					150.00	-
2 Agnus Holdings Pvt. Ltd.					30.00	-

(Rs. in million)

Nature of Transactions	Associates		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.10	Year Ended 31.03.09
Intercorporate Deposits Repaid						
1 Strides Arcolab Ltd.					130.00	-
Balances as at March 31, 2010:						
Inter-Corporate deposits receivables as at						
1 Strides Arcolab Ltd.					21.05	-
2 Agnus Holdings Pvt Ltd					30.41	-
3 Paradime Resorts					24.58	-
Debtors Balance as at						
1 Strides Arcolab Limited					46.71	1.00
Advances receivable as at						
1 Latitude Projects Pvt Ltd					0.10	0.94
2 Atma Projects Pvt Ltd.					13.25	8.19
3 Elysian Life Sciences Pvt Ltd.	0.63	-				
4 Deesha Properties					53.93	-
5 Strides Vital Nigeria Ltd					-	2.38
6 Agnus Holdings Pvt Ltd					-	150.35
7 Agnus IPCO Limited					14.21	-
8 Agnus Global Holdings Pte Limited					33.97	-
Payables Balance as at						
1 Latitude Projects Pvt Ltd					1.37	-
2 Deesha Properties					23.55	-
3 Strides Arcolab Limited					5.87	-
4 Strides Italia SRL (Diaspa)					0.91	-
5 Linkace Limited					8.22	-
6 Agnus Holdings Limited					12.62	-
7 Deesha Fine Chemicals					0.46	-

Dividends paid during the year to Fraxis Life Sciences Limited, the Holding Company – Rs. 5.88 Million (P.Y. - Rs. Nil)

11. Excess managerial remuneration paid to Managing Director and Whole time Director for the year ended 31st March 2009 amounting to Rs. 5 Million has been approved by the Central Government

12. Taxation

    a. Provision for deferred tax has been made in accordance with the requirements of Accounting Standard 22 "Accounting for taxes on Income"

    b. Net Deferred tax liability comprises the tax impact arising from timing differences on account of:

(Rs. In Millions)

Particulars	Opening	Included on Amalgamation	Consolidation Adjustment	For the year Credit/ (charge) Net	Translation Effect	31.03.2010 Asset / (liability)
Depreciation	(28.77)	(51.77)		(23.21)		(103.75)
Carry Forward Losses & Dep	-	71.63		(71.63)		-
Section 43 B disallowances	4.61	4.30		5.78		14.69
Other timing differences	-	-	2.84	14.81	(1.63)	16.02
Deferred Tax Assets/(Liabilities) (net)	(24.16)	24.16	2.84	(74.25)	(1.63)	(73.04)

13. Research & Development Expenditure

Details of Research and Development expenditure

(Rs. in million)

Particulars	For the Year ended March 31, 2010
Salaries	12.63
Power	2.69
Legal & Professional fees	0.72
Consumables	10.25
Traveling & conveyance expenses	0.94
Analytical charges	24.42
Others	10.50
Total	**62.15**

The above include costs associated with the development services undertaken for customers and are as certified by the management and relied upon by the Auditors.

14. Operating Leases

The Company's significant leasing arrangement is mainly in respect of factory building & office premises; the aggregate lease rent payable on these leasing arrangements charged to Profit & Loss Account is Rs.18.79 Millions.

The Company has entered in to non cancelable lease arrangement for its facilities and office premises, the tenure of lease ranges from 1 year to 10 years. The said lease arrangements have an escalation clause where in lease rental is subject to an increment of ranging from 5% to 10%. Details of lease commitments at the year end are as follows.

Particulars	Rs. in million
A. Within 1 year	17.39
B. From 1 to 5 years	34.36
C. Above 5 years	20.05
Total	**71.80**

15. Earnings per Share

(Rs in Millions except number of shares)

Earnings per share	2009-10	2008-09
a) Profit / (Loss) after tax as per profit and Loss A/c	374.17	(146.59)
b) Profit attributable to Equity Share Holders	374.17	(146.59)
c) Weighted Average Number of Shares for Basic & Diluted EPS	21,235,191	11,085,191
d) Nominal value per equity shares	10	10
e) Earnings per share (Basic) Rs.	17.62	(13.22)
f) Diluted Earnings per share Rs.	17.62	(13.22)

16. Employee Stock Options Scheme

In the extraordinary general meeting held on March 8, 2008, the shareholders approved the issue of 700,000 options under the ESOP scheme. In accordance with the above, the Company established an ESOP trust to administer the scheme on February 25, 2010.

On the board meeting dated March 29, 2010, the Company has allotted 700,000 equity shares to the ESOP trust with a Face value of Rs.10 per share at a premium of Rs. 103 per share.

17. Figures for current year are not comparable with those of the previous year as the figures for the current year include the figures of the amalgamating Company, Sequent Scientific Limited.

18. Notes on Cash Flow Statement:

(a) The Cash Flow has been prepared under Indirect Method as set out in Accounting Standard -3 on "Cash Flow Statement" issued under The Companies (Accounting Standards) Rules 2006.

(b) Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

(c) Cash and Cash Equivalents include balance with banks on lien for letter of credits issued of Rs. 36.08 Million (PY Rs. 13.50 Million) which are not available for use by the Company.

(d) The amalgamation of erstwhile SeQuent Scientific Limited with the Company with effect from the appointed date of April 1, 2008 being a non-cash transaction has not been reflected in the cash flow statement (Refer Note B(1a) above)

19. Previous year figures have been regrouped wherever necessary.

EQUITY HISTORY
of the Company

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Issue Price Per Share (Rs.)
28-Jun-85	Subscribers to Memorandum of Association	70	70	10.00
10-Dec-85	Public Issue	239,930	240,000	10.00
14-Jun-00	Preferential Issue	3,760,000	4,000,000	13.50
31-Mar-04	Pursuant to a scheme of amalgamation	2,500,003	6,500,003	N.A.
31-Jan-07	Allotment on conversion of warrants issued on preferential basis	1,000,000	7,500,003	47.00
9-Jul-07	Preferential Issue	2,785,188	10,285,191	65.00
27-Nov-07	Allotment on conversion of warrants issued on preferential basis	800,000	11,085,191	47.00
22-Sep-09	Pursuant to a scheme of amalgamation	10,150,000	21,235,191	N.A.
29-Mar-10	Issued to Esop Trust	700,000	21,935,191	113.00

KEY FINANCIAL
Parameters and Ratios at a Glance

Rs. in Millions

S.No	Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
A)	**Financial Results Summary**					
1	Revenue from Operations	2,463	1,061	748	447	323
2	Other Income	73	18	4	39	6
3	EBITDA	674	139	86	128	60
4	PAT	208	35	25	88	38
5	Paid Up Equity Share Capital	212	111	111	79	65
6	Shareholders' Networth	1,159	596	574	349	198
B)	**Key Ratios & Parameters**					
1	EBITDA Margin %	27.3%	13.1%	11.5%	28.6%	18.5%
2	PAT Margin %	8.2%	3.2%	3.3%	18.1%	11.5%
3	EPS - Rs. / Share	9.79	3.16	2.26	11.17	5.85
C)	**Growth related Ratios & Parameters**					
1	Growth in Total Income %	132.3%	41.8%	67.2%	38.3%	24.4%
2	Growth in EBITDA %	108.7%	14.0%	-59.8%	54.3%	18.2%
3	Growth in PAT %	152.6%	-2.4%	-81.6%	57.0%	97.5%
4	Growth in EPS	210.1%	40.0%	-79.8%	91.1%	227.5%

Note: Standalone figures have been considered

STATEMENT PURSUANT TO SECTION 212

of the Companies Act, 1956, relating to subsidiary companies

(Rs. in Million)

Name of the Subsidiary	Country	The Financial Year of the Subsidiary Company Ended on	Number of Shares Held By SeQuent Scientific Limited With Its Nominees In The Subsidiaries At The End Of The Financial Year of The Subsidiary Companies		The Net Aggregate of Profits / (Losses) of The Subsidiary Company For Its Financial Year So Far As They Concern The Members Of SeQuent Scientific Limited		The Net Aggregate of Profits / (Losses) of The Subsidiary Company For Its Previous Financial Year So Far As They Concern The Members of SeQuent Scientific Limited	
			Equity Shares	Equity Holding %	Dealt With in the Accounts of SeQuent Scientific Limited for the year ended March 31, 2010	Not Dealt with in the Accounts of SeQuent Scientific Limited for the year ended March 31, 2010	Dealt with in the Accounts of SeQuent Scientific Limited for the year ended March 31, 2009	Not Dealt with in the Accounts of SeQuent Scientific Limited for the year Ended March 31, 2009
SeQuent Global Holdings Limited	Mauritius	31-Mar-10	15,000	100.00%	-	42.49	-	(4.19)
SeQuent European Holdings Limited (Subsidiary of SeQuent Global Holdings Limited)	Cyprus	31-Dec-09	4,000	100.00%	-	129.54	-	(156.35)
SeQuent IPCO GmbH (Subsidiary of SeQuent European Holdings Limited)	Switzerland	31-Dec-09	200	100.00%	-	(0.99)	-	N/A
Galenica B.V. (11,356 Equity Shares Held By SeQuent Global Holdings Limited)	Netherlands	31-Dec-09	59,291	50.25%	-	(64.28)	-	N/A
Codifar N.V. (Subsidiary of Galenica B.V.)	Belgium	31-Dec-09	31,155	50.25%	-	Note : 1	-	N/A
Vedic Elements Private Limited	India	31-Mar-10	7,000,000	100.00%	-	(19.74)	-	N/A
Vedic Faxipang Pharma Chemic Company Limited	Vietnam	31-Dec-09	N/A	90.00%	-	(1.53)	-	N/A
SeQuent Research Limited	India	31-Mar-10	4,159,993	100.00%	-	0.65	-	N/A
Sanved Research Labs Private Limited	India	31-Mar-10	487,500	75.00%	-	(2.03)	-	N/A

Note 1: Included in the figures of Galenica B.V.

KEY INFORMATION PERTAINING

to Subsidiary Companies Financial Statements
as at the respective financial year

(Rs. in Million)

Name of the Subsidiary	Country	The Financial Year of The Subsidiary Company Ended on	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit Before Tax	Tax Provision	Profit After Tax	Proposed Dividend
SeQuent Global Holdings Limited	Mauritius	31-Mar-10	0.68	19.13	75.38	55.57	-	30.86	43.45	0.96	42.49	-
SeQuent European Holdings Limited (subsidiary of SeQuent Global Holdings Limited)	Cyprus	31-Dec-09	19.77	30.14	135.70	85.79	-	-	129.54	-	129.54	-
SeQuent IPCO GmbH (subsidiary of SeQuent European Holdings Limited)	Switzerland	31-Dec-09	0.82	(0.90)	0.07	0.14	-	-	(0.99)	-	(0.99)	-
Galenica B.V. (11,356 equity shares held by SeQuent Global Holdings Limited)	Netherlands	31-Dec-09	1.09	44.03	271.31	226.19	-	320.44	(140.94)	(13.01)	(127.92)	-
Codifar N.V. (subsidiary of Galenica B.V.)	Belgium	31-Dec-09	Refer Note below									
Vedic Elements Private Limited	India	31-Mar-10	70.00	(26.03)	193.32	149.35	-	1.72	(19.29)	0.44	(19.74)	-
Vedic Faxipang Pharma Chemic Company Limited	Vietnam	31-Dec-09	97.08	(11.28)	85.80	-	-	0.28	(1.70)	-	(1.70)	-
SeQuent Research Limited	India	31-Mar-10	41.60	(5.39)	215.35	179.14	-	105.31	0.65	-	0.65	-
Sanved Research Labs Private Limited	India	31-Mar-10	6.50	(6.05)	3.14	2.68	-	1.11	(2.63)	0.07	(2.70)	-

NOTE: The information on Codifar N.V. has been consolidated into the information of Galenica B.V.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. K R Ravishankar	*Chairman & Managing Director*
Mr. Joe Thomas	*Independent Director*
Mr. Kannan Ramanujam	*Independent Director*
Dr. Gopakumar G Nair	*Independent Director*
Dr. Gautam Kumar Das	*Executive Director*

COMPANY SECRETARY

Mrs. Lata Varshney

AUDITORS

M/s. Deloitte Haskins & Sells

SUBSIDIARY COMPANIES

- SeQuent Global Holdings Limited
- SeQuent European Holdings Limited (step-down subsidiary)
- SeQuent IPCO GmbH (step-down subsidiary)
- Strides Italia SRL (step-down subsidiary) – This subsidiary is in Liquidation.
- Vedic Elements Private Limited
- Vedic Fanxipang Pharma Limited, Vietnam (step-down subsidiary)
- SeQuent Research Limited
- Sanved Research Labs Private Limited
- Galenica B.V. (subsidiary)
- Codifar N.V. (wholly owned subsidiary of Galenica B.V.)

BANKERS

- Bank of India (Lead banker of Consortium)
- Andhra Bank (member, Consortium of Bankers)
- State Bank of Indore (member, Consortium of Bankers)
- Corporation Bank (member, Consortium of Bankers)
- State Bank of India
- State Bank of Hyderabad

REGISTERED OFFICE

116, Vardhaman Industrial Complex,
Lal Bahadur Shastri Marg,
Thane (W) – 400 601.

CORPORATE OFFICE

Star II, Bilekahalli, Bannerghatta Road,
Bangalore 560076

PLANTS

- Plot No. 7, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath
- W-152, MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.
- B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad.
- A-68, Additional Ambernath, MIDC Indl. Area, Ambernath (East), Dist. Thane.
- Plot No. 150, 151, 136, 141 MIDC, Tarapur, Boisar, Thane
- 120 A & B Industrial Area, Baikampady, New Mangalore
- Plot No. 26, 26B, GIDC Industrial Estate, Panoli, Dist. Bharuch
- A-14, MIDC, Phase I, Dombivali (E), Dist. Thane
- Plot No. 11, KIADB Industrial Area, Centre Jigani, Anekal, Bangalore
- Plot No. SPL 9 & 15 Kumta Industrial Area, Hegde Road, Kumta

REGISTRAR & SHARE TRANSFER AGENT

M/s. Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Andheri (E),
Mumbai – 400 059.

Sequent
Proven Ability In Life Sciences

(Formerly known as **P I Drugs & Pharmaceuticals Limited**)

Regd. Office: 116, Vardhaman Industrial Complex, L.B.S. Marg, Thane (W) 400 601

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of SEQUENT SCIENTIFIC LIMITED will be held on Monday 27th day of September, 2010 at Hotel Satkar Residency, Pokhran Road No.1, Opp Raymond, Thane (W)- 400 606 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and to adopt the Audited Balance Sheet of the Company as at 31st March 2010 and Profit & Loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year 2009-2010 on equity shares.
3. To appoint a director in place of Mr. Joe Thomas, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. R Kannan who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors for the financial year 2010-11 and to fix their remuneration.

SPECIAL BUSINESS:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTIONS:

6. **As An Ordinary Resolution:**

   "RESOLVED THAT in super session of resolution passed at the Twenty Fourth Annual General Meeting of the Company held on 4th September 2009 and pursuant to Sub-section (1)(d) of Section 293 of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with moneys already borrowed by the Company, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up-to which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 1000 Crore over and above the aggregate of the paid-up capital and free reserves of the Company.

7. **As an ordinary resolution:**

   "RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorized to mortgage and or otherwise to create charge on all or any of the moveable or immoveable properties of the Company both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company for having secured and/or securing any Loan /Debentures, Bonds etc. from any Financial Institutions or Banks or person or persons together with interest, cost, charges, expenses and any other money payable by the Company including on such terms and conditions as the Board deem fit at its discretion."

8. **As a special resolution:**

   RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, the Board of Directors of the Company be and is authorized to make any loan to any other body corporate, give any guarantee or provide security in connection with a loan made by any person or to any other person by, any body corporate and to acquire, by way of subscription, purchase or otherwise the securities of any other body corporate notwithstanding that the aggregate of such loan, investment and guarantee may exceed 60% of the paid up share capital and free reserves or 100% of free reserves, whichever is higher, of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine all or any of the matter arising out of and incidental to the said loan(s), guarantee(ies) and or investment(s).

By order of the Board of Directors
For **SeQuent Scientific Limited**

Place: Thane (**Lata Varshney**)
Date : August 13, 2010. Company Secretary

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. Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of members and Share Transfer books of the Company shall remain closed from September 27, 2010 to September 30, 2010 (both days inclusive).
3. The dividend, if declared by the shareholders for the year ended March 31, 2010 will be payable on or after October 4, 2010.
4. The Memorandum and Articles of Association shall remain open for inspection by shareholders during business hours at the Registered Office of the Company
5. The explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business to be transacted in the meeting are annexed hereto.

ANNEXURE TO THE NOTICE:

Explanatory Statement in respect of the businesses specified as special in the notice pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 6:

For its expansion plans and working capital requirements company needs fund. To meet this requirement directors are considering borrowing of the funds from Banks and/ or Financial Institutions.

The sanction of the shareholders is sought to permit the Board to borrow money in excess of its paid-up capital and free reserves. Pursuant to Section 293 (1) (d) of the Act Company can borrow money in excess of its paid-up capital and free reserves only with the consent of shareholders. The resolution is intended for the purpose. Considering the company's plans for expansion, your directors think it necessary to acquire this power and commends passing of this resolution.

None of the Directors' is concerned or interested in the resolution. The Board recommends the resolution for approval of the members.

ITEM NO. 7:

As a security for the borrowing of the funds from Banks and/ or Financial Institutions that the company proposes to avail, the company would require to mortgage and or otherwise to create charge on all or any of the moveable or immoveable properties of the Company both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company.

The sanction of the shareholders is sought to authorize the Board to create charge on the properties of the Company. Pursuant to Section 293 (1) (a) of the Act Company can mortgage and or otherwise to create charge on its properties only with the consent of shareholders. The resolution is intended for the purpose. Considering the company's plans for expansion and need of the funds for the same, your directors think it necessary to acquire this power and commends passing of this resolution.

None of the Directors' is concerned or interested in the resolution. The Board recommends the resolution for approval of the members.

ITEM NO. 8:

Section 372A of the Companies Act, 1956 provides that the Board of Directors of any Company shall be entitled to make any loan to any other body corporate, give any guarantee or provide security in connection with a loan made by any person or to any other person by, any body corporate and to acquire, by way of subscription, purchase or otherwise the securities of any other body in excess of 60% of the paid up share capital and free reserves or 100% of free reserves of the Company only with the prior consent of the shareholders.

As a part of company's strategy of expansion through merger and acquisition your Directors are of the view to obtain your consent for making loan and investments etc in excess of the limits as specified in the Act. The resolution is intended for the purpose.

None of the Directors is concerned or interested in the resolution. The Board recommends the resolution for approval of the members.

By order of the Board of Directors
For **SeQuent Scientific Limited**

Place: Thane (**Lata Varshney**)
Date : August 13, 2010. Company Secretary

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are as follows:

1. Mr. Joe Thomas :

Name	:	Mr. Joe Thomas
Age	:	53 years.
Qualification	:	Post Graduate in Chemistry.
Expertise	:	He has 23 years experience in International Business. He now heads BioServe Biotechnologies Ltd as MD and COO (Global). He has an abiding interest in working with start-up and in guiding strategy development and organization building in Regional and Global companies.
Other Directorship	:	2 (excluding private limited Companies)

2. Mr. Kannan Ramanujam :

Name	:	Mr. Kannan Ramanujam
Age	:	48 years.
Qualification	:	B.Com, FCA.
Expertise	:	A Chartered Accountant by profession with over 22 years of notable experience in Project Funding, Taxation and Audit in different industries. He has strong skills in envisionary planning and strategising of business.
Other Directorship	:	2 (excluding private limited Companies)

Sequent

Proven Ability In Life Sciences

(Formerly known as **P I Drugs & Pharmaceuticals Limited**)

Regd. Office: 116, Vardhaman Industrial Complex, L.B.S. Marg, Thane (W) 400 601

ATTENDANCE SLIP

Regd. Folio No. / Client ID	:	
Name & Address of First/Sole Shareholder	:	
No. Of Shares held	:	

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Monday, the 27th day of September 2010 at 11:00 AM at Hotel Satkar Residency, Pokhran Road No.1, Opp Raymond, Thane (W)- 400 606.

Signature of the Member/Proxy

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting

b) Member / Proxy who wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed

c) Member / Proxy should bring his / her copy of the Annual Report for reference at the meeting

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PROXY FORM

Regd. Folio No. / Client ID	:	
Name & Address of First/Sole Shareholder	:	
No. Of Shares held	:	

I / We..of...

....being a member / members of the above

named Company, hereby appoint...of or failing him / her ....

....of...as my / our Proxy to attend and vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company to be held on Monday, the 27th day of September 2010 at 11:00 AM at Hotel Satkar Residency, Pokhran Road No.1, Opp Raymond, Thane (W)- 400 606, and at any adjournment(s) thereof.

Revenue Stamp

Signed this..day of....................................2010

Notes:

a) Proxy need not be a member of the Company

b) The Proxy form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Registered Office: 116, Vardhaman Industrial Complex, L.B.S. Marg, Thane (W) 400 601 at least 48 hours before the time fixed for the meeting.

c) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

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