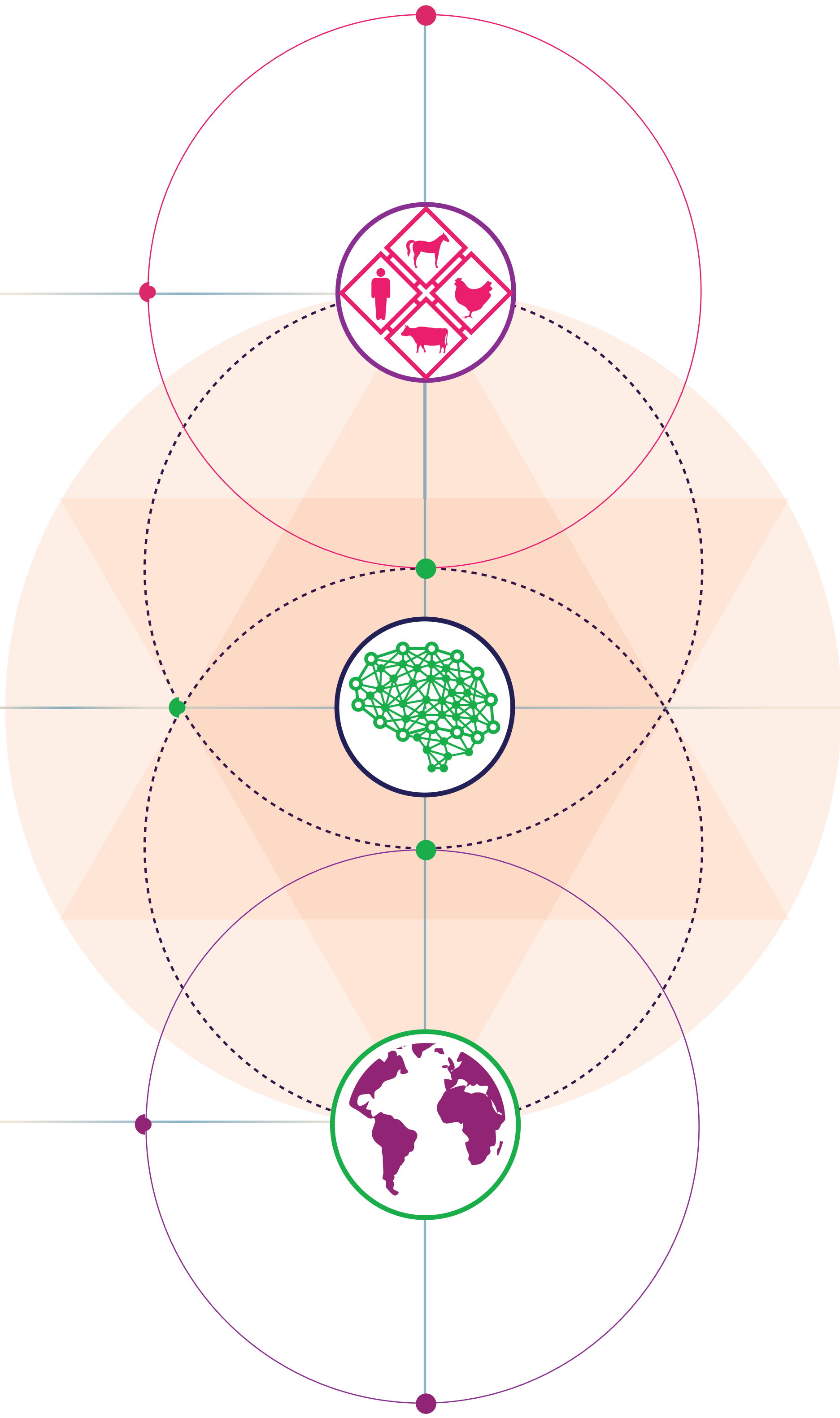
Sequent
Proven Ability In Life Sciences

Consolidating
our capabilities



Deepening
our knowhow

Expanding
across geographies

DESIGNED FOR GROWTH.
BUILT FOR VALUE.

ANNUAL REPORT
2015-16

ALIVIRA

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36%
Revenue
(Y-o-Y growth)

141%
EBIDTA
(Y-o-Y growth)

124%
Market capitalisation
(Y-o-Y growth)

Forward-looking statements
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

We are leveraging the growing global opportunity in animal healthcare and niche human health by putting our vision into action

With a judicious mix of organic and inorganic initiatives, FY16 was predominantly a year of strategic progression for the scale, global reach and growth of the Company

Alivira Animal Health business has forayed into new geographies such as Europe and Latin America along with strengthening presence in Turkey, Africa, South East Asia and India

On the Human Health front, we added a new dimension of steroids and hormones in the women healthcare segment. We also consolidated our current operations in the human health segment

We continue to drive business growth and enhance value on the back of our research capabilities, GMP compliant manufacturing base, adherence to governance and global standards of quality

Going forward, we are well set to leverage long-term growth opportunities globally

We are designed for growth. We are built for value

NURTURING AN ATTRACTIVE VALUE PROPOSITION

We have emerged as an integrated pharmaceutical company with deep footprint across multiple geographies. Our operations are underpinned by comprehensive manufacturing capabilities, strict adherence to quality and compliance.

We are headquartered in Mumbai, India, with eleven manufacturing facilities, based in India, Turkey, Brazil and Spain with approvals from global regulatory bodies, including USFDA, EUGMP, WHO and TGA, among others.

Our Animal Health business is operated through our subsidiary Alivira Animal Health Ltd. We are now the largest Indian animal health product manufacturers and exporters. We have emerged as the first global Animal Health business from India with presence in more than 90 countries, built on a platform of advanced quality, governance and compliance. We cater to unaddressed global market requirements and focus on products for livestock, poultry and companion animals. Our value proposition includes laboratory and technical support services.

On the Human Health front, we are deepening our strategy by expanding into niche female healthcare with special focus on steroids and hormones. In female healthcare we are focusing across therapeutic categories like anabolic steroid, anti progestin, androgen, progestin and progestogen among others. Moreover, we are operating across multiple other high-value, low-volume API therapeutic segments, such as anti-malarial, anthelmintics, anti-infective, antiviral, central nervous system (CNS), anti-malarial, anitbiotic, anitgout, anti-hypertensive, muscle relaxant, anti-cancer, beta-blocker, anaesthetics and dermatology.

Over the years, we have also fostered strong relationships with global animal and human health companies. We are geared to capitalise on the high-growth animal health sector globally and our portfolio of niche human APIs & Formulations, including female healthcare for a sustainable growth.

This apart, we also offer analytical and bio-analytical services to support API, pharmaceutical, personal care and nutraceutical companies from two analytical centres including recently commissioned state-of-the-art laboratory at Bengaluru.

Vision

To become best-in-class global integrated animal health business and a niche human pharma business.

Mission

To deliver quality products competitively while adhering to high standards of quality, governance and compliance.

Core values

Knowledge

We understand customers, their needs and apply our extensive knowledge and rich experience in supporting them. We seize opportunities to surge ahead.

Talent

We employ talented individuals who reflect the passion and proficiency to support customers. We provide world-class products and strive to become the reliable partner for our customers.

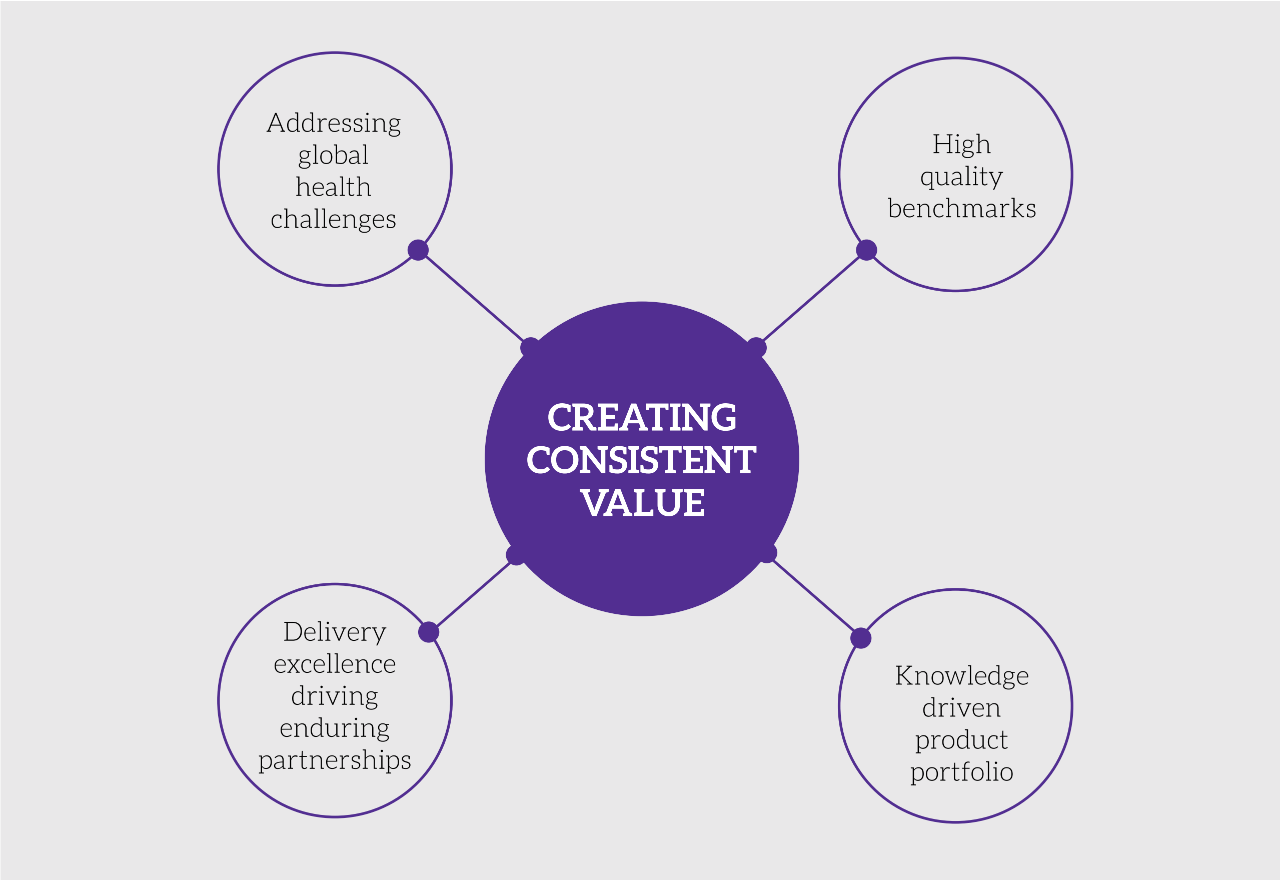
Strength

We are capable to provide customised solutions in a short time; this guarantees ease and convenience to our customers.

Expertise

Our core expertise is our high quality benchmarks, state-of-the-art manufacturing facilities, and our R&D centre, which enable us to deliver excellence for driving our standing partnerships.

Value Enablers



Business Verticals

120+
Scientists driving consistent innovation

450+
Animal Health formulations

25+
Animal Health formulations R&D pipeline

34
Human Health API products

90+
Countries where SeQuent products are sold

1,600+
Team strength

TAKING A CLOSER LOOK AT THE BUSINESS

FOUNDATIONS OF GROWTH

Growing Animal Health business worldover

Prudent mix of organic and inorganic initiatives to enhance scale and scope

Stable cashflows from niche Human Health business

Corporate level drivers

- Established relationship and partnering with global animal and human health companies
- Operations underpinned by well-invested manufacturing with strict adherence to quality and compliance
- Strong focus on research and development to build a pipeline for consistent growth
- Team of young professional and with enriched cross-industry experience across geographies

Animal health drivers

- Growing formulations backed by EU approved manufacturing operations in Spain, Brazil, India and Turkey with established front end in the key veterinary markets of Europe, LATAM, India, Turkey, Africa and South East Asian countries
- R&D investment to target a portfolio of 25+ formulations for regulated markets
- Well laid API strategy fuelled by world-class large-scale infrastructure and a pipeline of molecules through our research engine
- Plans in place to increase market coverage across other growing veterinary markets including the US and Australia

Human health drivers

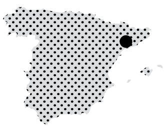
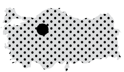
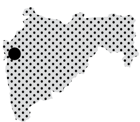
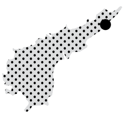
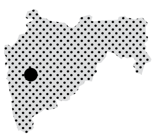
- Focused on the development and supply of high-value, low-volume niche and complex APIs, with a wide presence across demand therapies
- Focused on the development of a comprehensive portfolio of female healthcare APIs in steroids and hormones
- Integrated facilities, capable of manufacturing several niche and complex APIs
- Manufacturing facilities are capable of meeting the growing demand of our key products in the USFDA and WHO regulated markets

WE ARE WELL POSITIONED TO CAPITALISE ON THE HIGH GROWTH ANIMAL AND HUMAN HEALTH SEGMENTS TO DELIVER CONSISTENT STAKEHOLDER VALUE.

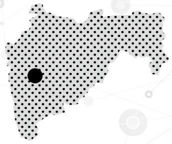
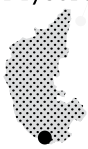
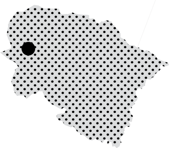
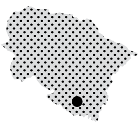
BEST-IN-CLASS MANUFACTURING ASSETS

OUR API AND FORMULATION MANUFACTURING FACILITIES STRICTLY ADHERE TO GLOBAL QUALITY STANDARDS.

Animal Health

Location	Products	Capabilities
Barcelona, Spain 	Animal Health Formulations	- Manufactures: Liquids - Oral solutions/suspension, Solid (powders) - Beta-Lactam and Non-Beta Lactam antibiotics - Specialises in nutrition products - Veterinary premixes - EU-GMP certified
Campinas, Brazil 	Animal Health Formulations	- Manufactures: Oral Medicated Powders (water soluble), Non Medicated powders - Feed additives, Oral solutions, Drug premixes - MAPA approved (Ministry of Agriculture)
Polatli, Turkey 	Animal Health Formulations	- Manufactures: Beta Lactam and Non-Beta Lactam injectable solutions/suspensions, oral solutions/suspension, aerosol and pour-on spot-on, Intramammaries - Turkish GMP approved and EU-GMP compliant
Ambernath, India  Maharashtra	Animal Health Formulations	- Manufactures granules for injections, Oral liquids (solutions and suspension), Powders - WHO-GMP certified - Certified by: NAFDAC, Kenya - Pharmacy & Poisons board, Uganda NDA, Ethiopia - FMHCA
Visakhapatnam, India  Andhra Pradesh	Animal Health APIs	- Reactor capacity of 224.6 KL with six clean rooms - Multiple CEP approvals
Tarapur, India  Maharashtra	Animal Health APIs	- Reactor capacity of 61 KL with two clean rooms

Human Health

Location	Products	Capabilities
Mangalore, India  Karnataka	Human Health APIs	■ 123.5 KL reactor capacity with six clean rooms ■ TGA-GMP certified, WHO pre-qualified, USFDA inspected
Mahad, India  Maharashtra	Human Health APIs	■ Reactor capacity: Intermediate plant – 41 KL and API plant – 12 KL with one clean room ■ CEP approved and Cofepris Mexico certified
Mysore, India  Karnataka	Human Health APIs	■ Reactor capacity: Intermediate plant – 41 KL and API plant – 12 KL with one clean room
Kashipur, India  Uttarakhand	Human Health APIs	■ 42.65 KL reactor capacity with three clean rooms and 20-25 tons p.a. of Hormones and Intermediates ■ EU supplies, WHO-GMP certified, ISO & OHSAS 18001 certified
Rudrapur, India  Uttarakhand	Human Health Formulations	■ Hormones: Solid oral tablets and capsules ■ EUGMP, ANVISA, Turkey, WHO-GMP, PICS TFDA, Uganda, Tanzania, Kenya, Ethiopia, Kazakhstan approved

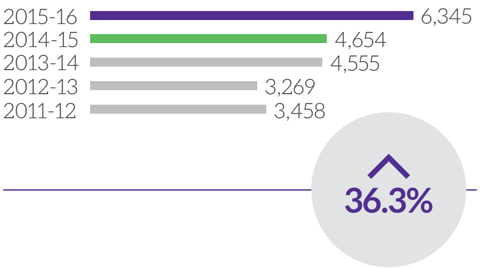
Analytical Solutions

Location	Products	Capabilities
Mangalore and Bengaluru, India  Karnataka	Analytical Solutions	**Mangalore** ■ GLP compliant ■ USFDA, TGA, WHO, ISO 17025, ISO 9001:2008 and ISO 14001:2004 **Bengaluru** ■ GLP compliant ■ DCGI approved testing Lab

KEY PERFORMANCE INDICATORS

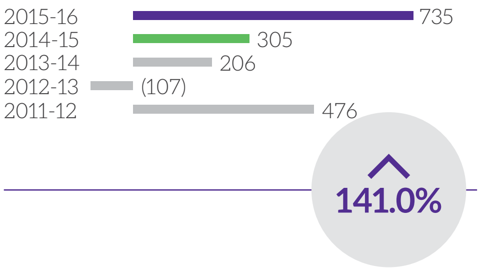
Revenue from Operations

₹ in mn



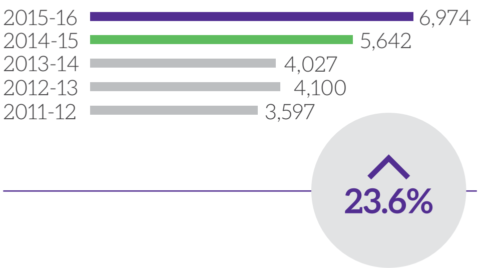
EBITDA

₹ in mn



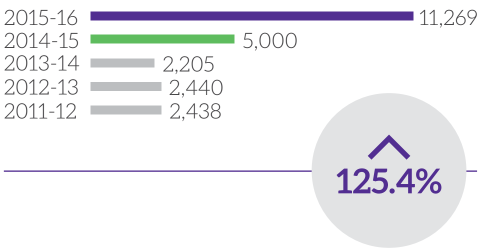
Gross Block + CWIP

₹ in mn



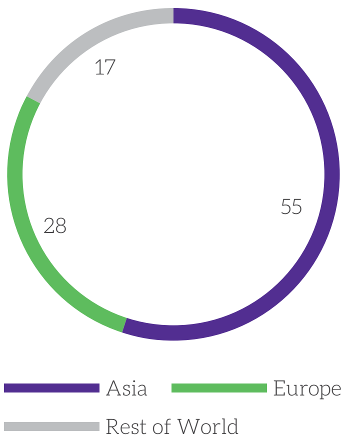
Capital Employed

₹ in mn



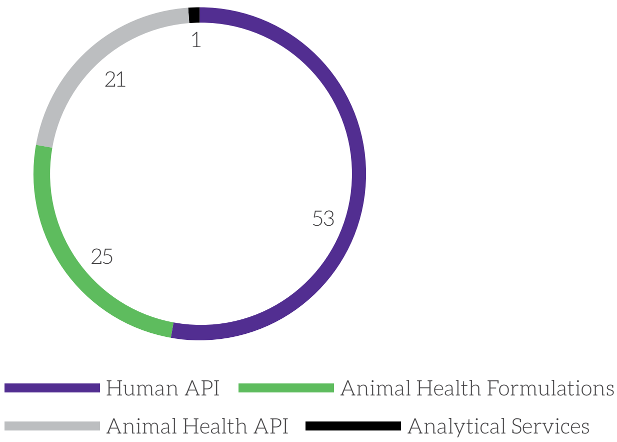
Consolidated Revenue by Geography

%



Consolidated Revenue by Vertical

%



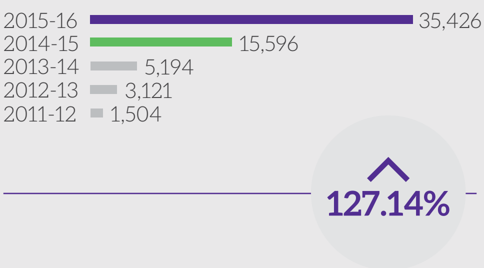
KEY ACHIEVEMENTS, FY 16

- Fully operationalised state-of-the-art Vizag facility (Veterinary APIs)
- Raised ₹ 4,000 mn through Qualified Institutional Placement, which was subscribed by quality, long-term investors, who endorsed the vision of our Company of being a powerhouse in the global animal health space
- Raised ₹ 1,675 mn through preferential issue to Promoters/Non Promoters
- Completed stock split of one equity share of the Company, having a face value of ₹ 10/- each into five equity shares of face value of ₹ 2/- each
- Successful inspection and approval of Provet's manufacturing facility from Turkish authorities under new EUGMP guidelines
- Opened a new GLP (Good Laboratory Practices) compliant Analytical Services Centre at Bengaluru to offer a wider range of therapies including Beta Lactam and Hormones
- Completed USFDA inspection at our facility in Mangalore successfully. The facility was inspected in June 2015 and the Company received Establishment Inspection Report (EIR) in November 2015 thereby, confirming the closure of audit
- Facilitated robust business growth through five inorganic expansions for enhancing scale, market access and capabilities
- ICRA Ratings has upgraded the Company's credit rating by four notches. The long-term rating has been upgraded from [ICRA] BB (pronounced ICRA double B) to [ICRA] BBB+ (pronounced ICRA triple B plus). The outlook on the long-term rating is stable. The short-term rating has been upgraded from [ICRA] A4+ (pronounced as ICRA A four plus) to [ICRA] A2+ (pronounced as ICRA A two plus)

STAKEHOLDER INFORMATION

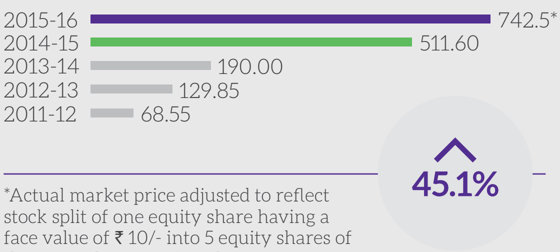
Market Capitalisation

₹ in mn



Share Price

₹ per share



*Actual market price adjusted to reflect stock split of one equity share having a face value of ₹ 10/- into 5 equity shares of the face value of ₹ 2/- each

Equity share information

- BSE code: 512529
- NSE code: SEQUENT
- REUTERS: SEQU.BO
- Promoters holding: 56.25% (as on March 31, 2016)

MESSAGE FROM THE MANAGING DIRECTOR

THE US$ 30 BN ANIMAL HEALTH INDUSTRY POSES AN EXCITING OPPORTUNITY FOR YOUR COMPANY. WHILE THE INDUSTRY HAS TWO MOVING PARTS IN THE COMPANION AND PRODUCTION ANIMALS, OUR FOCUS IS MORE TOWARDS THE UNDERSERVED PORTIONS OF THE PRODUCTION ANIMAL VERTICAL.

Dear Shareholders,

Fiscal 2015-16 was by far the most exciting phase in our journey to become a truly global animal health enterprise. Our efforts to reinvent our business with a calibrated plan went according to schedule and I am pleased to state that your Company now stands tall among players in the animal health space with footprints in over 90+ countries. The transformation from a volume-driven API-led company to a formulation-led, value-driven company, has indeed been a journey replete with challenges, learnings and excitement.

As it stands, your Company has a strong formulations business in key veterinary markets of Europe, LATAM, India, Turkey, Africa and South East Asian countries. Along the way in this journey, we have made our Company the number one Animal Health company in Turkey, doubled our business in India, forayed into Europe, Brazil and other Latin American countries along with setting up manufacturing bases in Europe which adhere to the strictest of manufacturing, regulatory and quality requirements.

THE GLOBAL PHARMACEUTICAL MARKET RECORDED YET ANOTHER YEAR OF SIGNIFICANT REVENUES AND AS PER IMS, THE MARKET IS LIKELY TO EXPAND MANY FOLDS TO US$ 1.4 TRILLION BY 2020.

The US$ 30 bn animal health industry poses an exciting opportunity for your Company. While the industry has two moving parts in the companion and production animals, our focus is more towards the underserved portions of the production animal vertical. Our effort has been directed not only towards improving the productivity of the livestock but also becoming an important partner with the animal owner in safekeeping the health of an animal. There exists a definite gap in the demand and market availability of products in this space and your Company has been working towards bridging this gap and as a result get closer to end-users in the select markets where we envisioned this "opportunity".

On the Human Health side, we continued our focus in niche areas and made investments in the women healthcare that adds a different dimension to our business. The global pharmaceutical market recorded yet another year of significant revenues and as per IMS, the market is likely to expand many folds to US$ 1.4 trillion by 2020. This gives us enough comfort that the pharmaceutical industry has enough room for a player like us to keep following our niche API strategy.

It is our belief that we have put in place a foundation for an organisation that can capitalise on the growth opportunities and create enormous value in the burgeoning animal health and human health industry.

Let me take the opportunity to share with you the reasons why we believe that the decisions taken this fiscal are steps in the right direction to creating a valuable enterprise:

FIRST, THE INITIATIVES AT ALIVIRA

All Animal Health initiatives have been consolidated under the single brand of Alivira. We laid the foundation for Alivira in 2015 and consolidated its presence in 2016 through a series of measures including:

a. We are now the number one Animal Health company in Turkey
Post our acquisition of Provet in the previous year, we also acquired Topkim, one of the oldest and reputed manufacturers of Turkey. The consolidated entity has made us the largest Animal Health company of US$ 400 mn animal health industry of Turkey along with capabilities as to take us the advantage of being a first mover in the new GMP regime at Turkey.

b. We have doubled our business in India
This year, we registered 72% growth in the India business. We not only grew our homegrown markets, but also added the Animal Health division of Lyka Labs to Alivira's business fortifying our cattle and poultry business. The business was immediately accretive and in the long run, it augurs well for fortifying our business in India. With an India business sales force of 250 people, Alivira offers close to 250 products and has significant presence in the cattle and dairy segment.

c. We have extended our global presence
During the fiscal we acquired three front end companies viz. – N-Vet AB and Fendigo to debut in the European veterinary markets. While Turkey's acquisitions gave us strong manufacturing capabilities, the integration of N-Vet AB and Fendigo strengthened our front end capabilities in the key markets along with access to market registrations. The acquisition of a majority stake (after FY16) in Vila Vina Participations group that owns Karizoo Spain, Phytosolutions Spain, Covivet Spain and Karizoo Mexico bolsters our presence in Europe. This transaction brings into Alivira an EU approved manufacturing base along with strong R&D capabilities, which we intend to leverage for our global operations. This apart, we recently closed our transaction with Interchange Indústria e Comércio de Produtos Veterinários S.A. Brazil (Interchange) which provides Alivira access to Brazil, the third largest veterinary market in the world accounting for 7.5% of the global animal health business.

POST OUR ACQUISITION OF PROVET IN THE PREVIOUS YEAR, WE ALSO ACQUIRED TOPKIM, ONE OF THE OLDEST AND REPUTED MANUFACTURERS OF TURKEY. THE CONSOLIDATED ENTITY HAS MADE US THE LARGEST ANIMAL HEALTH COMPANY OF US$ 400 MN ANIMAL HEALTH INDUSTRY OF TURKEY ALONG WITH CAPABILITIES AS TO TAKE US THE ADVANTAGE OF BEING A FIRST MOVER IN THE NEW GMP REGIME AT TURKEY.

The corporate actions above on our part have put in place an organisation that has strong formulations business in key veterinary markets of Europe, LATAM, India, Turkey, Africa and South East Asian countries. Alivira is a Global Indian firm as over 80% of the revenues are generated outside India, with manufacturing operations in Spain, Brazil, India and Turkey which are ably supported by R&D development centres in India, Turkey and Spain.

d. We are a research-backed and formulation-led Animal Health business
Until 2015, 20% of our revenues accrued from the formulations business. You will notice that the contribution of formulations in the overall Alivira business is now close to 60%. While we are already one of the world's leading producers of APIs, we foresee stronger growth in the finished dosage business going forward. To stay competitive and committed to the niche we have carved for ourselves, we have also initiated an aggressive global R&D programme with over 25 products in various dosage forms including orals, solids, liquids, injectable, and pre-mixes.

Alivira thus has a well set platform to capitalise on the emerging opportunities and our focus for the future would be on integration of these businesses to drive synergies as well as an aggressive new product development programme that drives us to the next orbit of profitable growth.

SECOND, OUR SUSTAINED FOCUS ON NICHE HUMAN HEALTH

The Human Health business which recorded a robust 77% growth this fiscal broadly follows the footsteps of the strategy we laid out in the previous years. Our key molecules in the niche space have started yielding results and this enables us to focus on new molecules to enter the commercial stage. In line with our strategy, this year we forayed into female healthcare segment with distinct focus on steroids and hormones. We acquired controlling stake in Naari (formerly known as Indo Phyto Chemicals Pvt. Ltd.) based out of Delhi to merge its enhanced product portfolio and skills to a strong global base that we possess in the APIs. Naari also gives us capabilities in fermentation and chemical synthesis thus enabling unique ability to produce APIs from the basic starting materials that are extracted from plants. We remain excited about our Human Health strategy and would continue to develop and scale up new molecules that upholds a strong position for us. We bolstered our API strategy by acquiring 3 USDMF's.

THIRD, WE ADVANCED OUR R&D CAPABILITIES

This fiscal, our research team attained success in commercialising 4 products in veterinary APIs along with 4 Human APIs. Besides the team at our central R&D centre at Mangalore, we have created capabilities based for research at our manufacturing centres in respective formulation setups. Our consolidated pool of intellectuals now has 120 scientists. This apart, we have bolstered our future pipeline with 7 Animal Health APIs and 17 (including 10 products in female healthcare) Human Health APIs under development and 25 formulations in various dosage forms.

LASTLY, THE FOUNDATION IS SET FOR ANALYTICAL SERVICES

FY16 was a quiet year for our analytical services vertical owing to some business challenges at the client level of our top contributing customer. We opened our new GLP (Good Laboratory Practices) compliant Analytical Services Centre at Bengaluru. This 10,000 square feet centre has given us access to a wider range of therapies including Beta Lactam and Hormones. For our current and prospective clients, we have in place best-in-class infrastructure coupled with rich scientific knowledge, definitive cost advantage and in-time commitment which adheres to changing regulatory needs and highest quality standards.

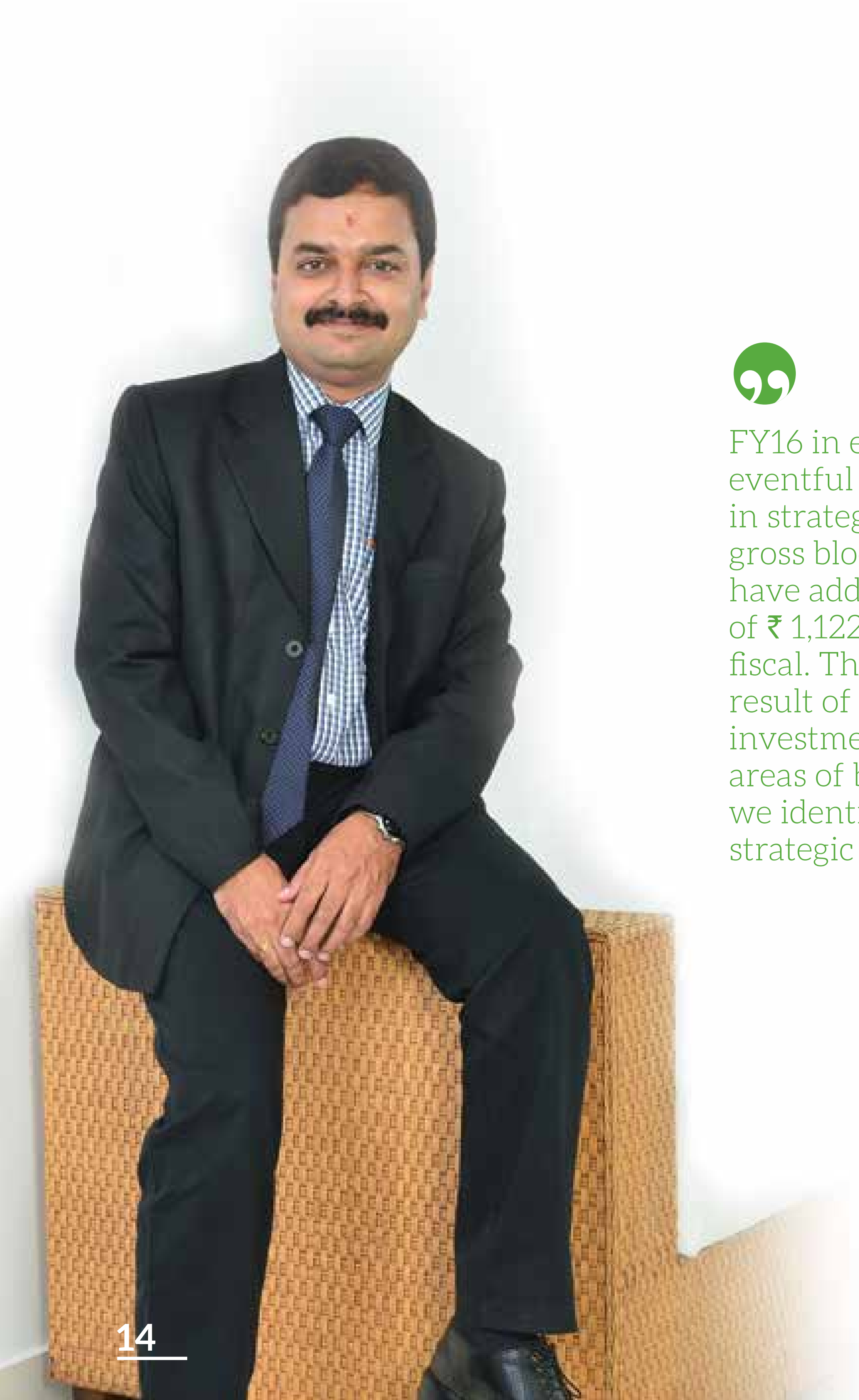
THIS FISCAL, OUR RESEARCH TEAM ATTAINED SUCCESS IN COMMERCIALISING 4 PRODUCTS IN VETERINARY APIs ALONG WITH 4 HUMAN APIs. BESIDES THE TEAM AT OUR CENTRAL R&D CENTRE AT MANGALORE, WE HAVE CREATED CAPABILITIES BASED FOR RESEARCH AT OUR MANUFACTURING CENTRES IN RESPECTIVE FORMULATION SETUPS

Looking back, FY16 was also a year of financial growth for our Company. While profitability at the net level continues to be a challenge in this investment phase, our performance at the sales and EBITDA level demonstrates the size of opportunity that the industry offers. Due importance was also given to strengthening our balance sheet and all efforts are towards ensuring growth does not come at a cost of financial imprudence.

We are quite excited about the business and the opportunities that lie ahead in front of us. I would thank all our stakeholders for your continued support and conviction in the unique business we are building. I also take this opportunity to thank our customers, employees, partners, suppliers, regulatory agencies, and lenders for their continued trust and support.

Regards,
Manish Gupta

Q&A WITH THE CHIEF FINANCIAL OFFICER



FY16 in entirety has been eventful for investments in strategic areas. From a gross block viewpoint, we have added assets worth of ₹ 1,122 mn during the fiscal. This has been a result of our thoughtful investments in different areas of business where we identified gaps for the strategic growth.

Q. Please take us through the financial highlights of FY16?

A. FY16 was a fruitful year for us. At the topline level, we registered a 43% (excluding discontinued operations) growth from ₹ 4,432 mn operating sales in FY15 to ₹ 6,344 mn in FY16. This growth primarily factored in addition of the new businesses we acquired during the course of FY16. In addition, our organic business also showed progress and we logged over 24% growth in the same.

In terms of industry, our Human Health business recorded a significant 77% year-on-year growth to touch ₹ 3,360 mn of revenue. This increase is largely on account of the growth in the current organic business where the products that we have developed over the years have started contributing to the topline. The Human Health business also includes the additional revenues from female healthcare APIs as a result of our acquiring a controlling stake in Naari.

In the Animal Health space (Alivira), we observed headwinds in the API space as the veterinary API revenue fell close to 6% to reach ₹ 1,306 mn, which is 21% of the total sales. However, on the formulations side, we saw another significant year for our 'formulation-led' growth strategy. The Animal Health formulations business grew from nearly ₹ 850 mn nearly to ₹ 1,600 mn in FY16.

The formulations business now accounts for more than 55% of the Alivira business. The growth in the formulations business is meaningfully led by both organic and inorganic initiatives, which include acquisition of controlling stake in Topkim, Turkey along with acquisition of N-VET AB and Fendigo expands our presence in Europe. We also progressed in India by way of acquisition of Lyka Labs' Animal Health division on a going concern basis. This business gave us a strong foothold in India and also contributed to our growth and market share.

IN TERMS OF INDUSTRY, OUR HUMAN HEALTH BUSINESS RECORDED A SIGNIFICANT 77% YEAR-ON-YEAR GROWTH TO TOUCH ₹ 3,360 MN OF REVENUE. THIS INCREASE IS LARGELY ON ACCOUNT OF THE GROWTH IN THE CURRENT ORGANIC BUSINESS WHERE THE PRODUCTS THAT WE HAVE DEVELOPED OVER THE YEARS HAVE STARTED CONTRIBUTING TO THE TOPLINE.

At the EBITDA level, we registered a robust 248% jump from adjusted EBITDA of ₹ 181 mn in FY15 to ₹ 629 mn in FY16. This is the result of an improved business mix, moving to the direction of formulations, along with optimised product basket in the API business. The EBITDA margins now stand at 10% vis-à-vis 4% in FY15. On account of extraordinary expenses on acquisition and on-going business integration, we closed the FY16 with a net loss of ₹ 197 mn for the continuing business.

Another highlight of the fiscal is the strengthened balance sheet of the Company. At the consolidated level, we now have a net worth of ₹ 8,734 mn as against ₹ 912 mn in the previous year. This is consequential of our QIP fund raising coupled with contribution from the promoters group. We have reduced our dependence on bank finance and as a result our debt equity now stands at 0.4 as compared to 5.2 in the previous year.

Q. You mentioned about the strengthening of balance sheet, can you highlight this further and how do you plan to go forward?

A. Post the conclusion of the QIP process and infusion of funds from the promoters group, we have managed to reduce our financial leverage on the high cost finance that we had on the books. Most of it is either repaid in conformance to schedule, or is replaced by low-cost external debt, which we have been able to raise due to our presence in multiple countries. Additionally, we have also controlled our working capital by managing the creditors' and debtors' cycle; our working capital cycle has thus got optimised and that is a significant development given the diversified legal entities.

From a statistical standpoint, our debt to equity ratio has improved from 5.2 to 0.4 in the previous year. This is commensurate with the reduction of short-term debt by ₹ 1,482 mn and long-term borrowings by ₹ 376 mn. The current ratio has improved and that also gives us comfort for our working capital needs.

Going forward, we intend to keep our balance light on debt and also ensure that the position betters once the acquired businesses start yielding desired results.

Q. Can you throw some light on the major corporate actions during the fiscal?

A. FY16 in entirety has been eventful for investments in strategic areas. From a gross block viewpoint, we have added assets worth of ₹ 1,122 mn during the fiscal. This has been a result of our thoughtful investments in different areas of business where we identified gaps for the strategic growth: The major corporate initiatives during the fiscal were:

Lyka Labs Animal Health division: Acquired Lyka Labs' Animal Health division on a going concern basis. The cost of acquisition was ₹ 334 mn and transaction was closed in the third quarter of FY16.

Topkim Ilaç Premiks San. ve Tic. A. S. (Topkim): Acquired Topkim through Provet Veterinary Products, Turkey, a subsidiary of Alivira. The consolidated entity (Topkim and Provet) made Alivira the largest Animal Health Company in Turkey, which is a US$ 400 mn market and is growing at 8% year-on-year. The cost of acquisition was TRY 11 mn and transaction was closed in the third quarter of FY16.

N-VET AB and Fendigo: Foray into European Veterinary market through acquisition of N-VET AB and Fendigo. We acquired 85% stake in these companies with the current management retaining the balance stake. The cost of acquisition was Euro 6.5 mn and transaction was closed in the third quarter of FY16.

Indo Phyto Chemicals Private Limited (IPC): Acquired 51.02% of total voting capital in Indo Phyto Chemicals Pvt. Ltd. (IPC), a New Delhi based pharmaceutical company. The cost of acquisition was ₹ 68.5 mn and transaction was closed in the fourth quarter of FY16.

FROM A STATISTICAL STANDPOINT, OUR DEBT TO EQUITY RATIO HAS IMPROVED FROM 5.2 TO 0.4 IN THE PREVIOUS YEAR. THIS IS COMMENSURATE WITH THE REDUCTION OF SHORT-TERM DEBT BY ₹ 1,482.7 MN AND LONG-TERM BORROWINGS BY ₹ 376.6 MN. THE CURRENT RATIO HAS IMPROVED AND THAT ALSO GIVES US COMFORT FOR OUR WORKING CAPITAL NEEDS.

Q. How do you assess the risks around the businesses that we have recently acquired?

A. In the history of our business, the bulk of our growth has come through inorganic initiatives, therefore we understand that the acquisition of a business can have a significant impact on the risk exposure as well as risk management strategy of the entity. Based on our experience, we have developed a robust system as to identify enterprise risks and create an action plan to address it. Some of the key actions that we have taken in order to manage and assess the risks are:

a. Policy to identify the post combination risk exposure profile and corrective action plan

b. Work with the best advisors for the purpose of due diligence of the identified target companies

c. Investment in best information management tools for avoiding any data inconsistencies

d. Appointment of tier 1 auditors for internal, statutory and stock-related audits

e. Consistent communication and training to employees on risk management strategies

f. Most of our acquisitions are largely based on retention of key management of target company so that business risk could be mitigated

Q. What initiatives have we taken to manage currency risk given our businesses are in multiple entities?

A. We generally measure the impact of exchange rate movements on a going concern basis. Our business gets affected by exchange rate in multiple ways and therefore we have a dedicated department in the organisation that assesses the impact of adverse currency movements. We have identified two focus areas for US-transaction and translation. While we are largely an exporting company, the risk of transaction is taken care of by the regular exports and forward covers if required. For the purpose of translation risk, we have principally built a strategy around doing our businesses in local currency so that the exchange rates do not affect the routine transactions and translation currency effect which is non-cash is dealt with applicable accounting standards.

Q. Please give us a quick update on the QIP and its utilisations?

A. We raised ₹ 4,000 mn from QIP, of the QIP proceeds, we have spent close to ₹ 2,727 mn and the remaining ₹ 1,273 mn is invested in liquid funds for short-term income and also reduced our usage of short-term working capital use. The QIP proceeds have been strictly used to fund the long-term growth of the Company through inorganic initiatives, capacity debottlenecking, along with reduction of debt.

WE HAVE IDENTIFIED TWO FOCUS AREAS FOR US-TRANSACTION AND TRANSLATION. WHILE WE ARE LARGELY AN EXPORTING COMPANY, THE RISK OF TRANSACTION IS TAKEN CARE OF BY THE REGULAR EXPORTS AND FORWARD COVERS IF REQUIRED. FOR THE PURPOSE OF TRANSLATION RISK, WE HAVE PRINCIPALLY BUILT A STRATEGY AROUND DOING OUR BUSINESSES IN LOCAL CURRENCY SO THAT THE EXCHANGE RATES DO NOT AFFECT THE ROUTINE TRANSACTIONS AND TRANSLATION CURRENCY EFFECT WHICH IS NON-CASH IS DEALT WITH APPLICABLE ACCOUNTING STANDARDS.

Q. How do we plan to fund our future growth?

A. In terms of our growth initiatives, we have made significant inroads to select markets where we envisaged opportunities. We believe we have by and large bridged the gaps that our business had in terms of demand and possible future requirements. While we have QIP proceeds to take care of remainder initiatives, we also expect our current investments to start grossing returns to generate sufficient cash flows for the future.

Regards,
Kannan Pudhucode Radhakrishnan

Our journey is evolutionary

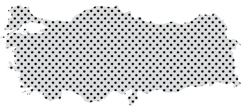
From an API-led, India-driven strategy to formulations-led, global strategy

From a volume-driven to a value-driven business

The result is sustainable growth and value creation

CONSOLIDATION IS BIG ON OUR AGENDA

Helping us enhance our product portfolio and capabilities across animal and human health to drive long-term value-driven growth.



Consolidating business in Turkey

> "Topkim and Provet have a complementary product portfolio, which enables us to consolidate markets across Turkey; and also benefit from cost synergies. With our EU-GMP compliant facility and the expanded product portfolio, we would also be able to increase our business in global markets."
>
> **Dr. Hüseyin Aydin, Chairman, Provet**

We acquired a controlling stake in Topkim Ilaç Premiks San. ve Tic. A.S (Topkim) of Turkey in FY16. The acquisition was made through Provet Veterinary Products, Turkey, Alivira's subsidiary. Topkim, one of the highly reputable veterinary company in Turkey, with a heritage of 50 years of business presence over 67 approved products mainly comprising of Ectoparasiticides, Endectocides, and Injectable Antibiotics. It has wide distribution capabilities with presence in almost every sales point at Turkey.

US$ **400** mn

The size of the Turkish veterinary market is growing at around 8% annually.

STRATEGIC RATIONALE

- Consolidate presence in the US$ 400 mn Turkish veterinary market, which is growing at around 8% year-on-year, exceeding global industry growth; moreover, Turkey is among the top 10 ruminant markets, and overall the world's 16th largest veterinary markets
- Combined entity (Provet and Topkim) to make us the largest Animal Health Company in Turkey, with over 10% market share
- We will benefit from significant cost synergies for combined operations
- We will capitalise on early-mover advantage, post the new GMP regulations effective from November 1, 2015

> "We are pleased to collaborate with SeQuent with our niche female healthcare segment, with specific focus on steroids and hormones. With complementary synergies, we believe the business will enter the next growth orbit."
>
> **Prithi S. Kochhar - CEO, Naari**

STRENGTHENING NICHE HUMAN HEALTH STRATEGY

We acquired a majority controlling stake in Naari, a pharmaceutical company focused on female healthcare. This is in line with our business strategy of focusing on niche and complex segments in the marketplace.

Naari is a fully integrated company with a portfolio of steroids and hormonal APIs and formulations and having its manufacturing base in Uttarakhand. The company has capabilities in both fermentation and chemical synthesis, giving it a unique ability to produce APIs from the basic starting materials that are extracted from plants. Naari currently produces 12 APIs and has an R&D pipeline including 10 more under development. The company has already commenced filings in regulated markets. Naari's wide product portfolio and our strong global footprint will help elevate the business to the next orbit of growth. Naari has an extensive female healthcare formulations business in an emerging markets and has more than 37 registrations. Its plant in Uttarakhand, India has approvals from EU, Turkey and Brazilian health. With aggressive R&D programme of 10 products under development and the first regulated market filing for EU & US slated to happen in FY17.

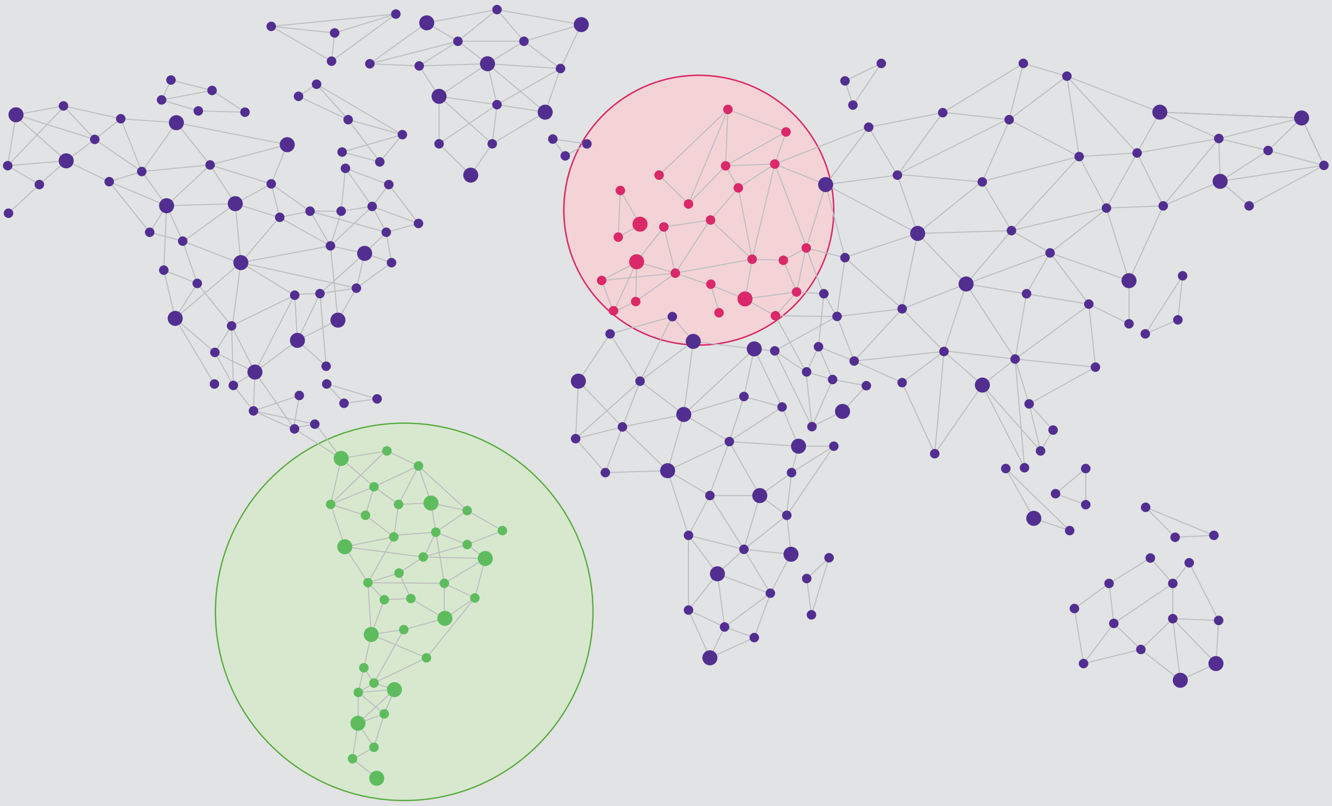
FORTIFYING CATTLE AND DAIRY CARE PORTFOLIO IN INDIA

We acquired Lyka Exports' Animal Health business to strengthen our portfolio in cattle and dairy care segment; and will complement our existing India formulations business.

Lyka's business is on a robust growth track with expanding margins and various strategic investments in place. The combined entity will have over 250+ strong field force, coupled with a significantly wider product portfolio. The acquisition will be immediately value-accretive for us.

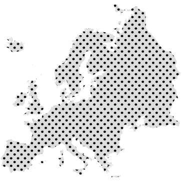
STRATEGIC FORAYS AND EXPANSIONS ACROSS CONTINENTS

We are strengthening our footprint across Latin America and Europe through strategic acquisitions. We are reaching out globally to deliver on the mandate for value-driven growth.



South America

Europe



European forays

"N-Vet becoming a part of Alivira group will strengthen the Company's market position and create opportunities for further growth and business development. The broadened product portfolio will establish the Company as one of the leading AH companies in Sweden and give opportunities for further growth in the Nordic area."

Claes-Göran Sjösten, N-Vet

"The Fendigo team is fully committed and ready to make a serious and active contribution to the development of the Alivira brand in Europe and beyond."

Mats Carlsson, Fendigo

THREE STRATEGIC ACQUISITIONS

We forayed into the European veterinary pharmaceutical markets through the acquisition of three companies – N-Vet AB, Fendigo SA and Fendigo BV. Our acquisition strategy is in line with our focus of becoming a leading global and integrated company in the animal health space.

Details of acquired companies

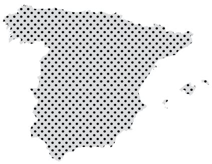
- **N-Vet AB:** One of the leading Swedish company in sales and marketing of veterinary pharmaceuticals and animal healthcare products

- **Fendigo SA:** Engaged in sales and marketing of veterinary pharmaceuticals and animal health products in Benelux region (Belgium and Luxembourg). Fendigo SA is the 14th largest animal health player in Belgium

- **Fendigo BV:** Engaged in sales and marketing of veterinary pharmaceuticals and animal health products in the Netherlands. Fendigo BA is the 11th largest animal health player in Netherlands

We acquired 85% stake in the aforementioned companies with the current management retaining the balance stake. The structure of the transaction permits the current management to drive the business, while we would provide a stronger framework for growth through a larger product portfolio; backed by regulatory compliance, global reach and integrated manufacturing capabilities.

An established front-end presence available through these acquisitions will help us fast-track the launch of our products in the European region. The acquired businesses will be integrated and consolidated with immediate effect, and will be margin accretive.



Acquisition in Spain

US$ 12.2 mn

Europe is the world's second-largest animal health market, estimated at US$ 8 bn in 2015; and expected to touch US$ 11 bn by 2020.

"The acquisition of 60% stake in Karizoo Group by Alivira is a very important step for the globalisation of our business which we built over 20 years. The integrated business model of Alivira will enhance our competitiveness, leveraging our products in wider markets and our technical capabilities for faster new product development."

Ramon Vila, CEO, Karizoo Group

We acquired majority stake in Karizoo Group, Spain; one of the leading animal health groups in Spain and European markets. This transaction will bolster our European presence, making it the largest market for animal health business. Karizoo brings into Alivira a EU approved manufacturing base and strong R&D capabilities, which we intend to leverage for our global operations. Over 115 registered products across regulated and emerging markets with a pipeline of 3 products under registration in EU.

STRATEGIC RATIONALE

- The acquisition makes us a significant player in the global animal health space with annualised revenues in excess of US$ 120 mn
- It helps us strengthen our existing European operations in Belgium, Sweden and the Netherlands, making Europe the largest region of our operations with footprint in 15 European markets
- Europe is the world's second-largest animal health market, estimated at US$ 8 bn in 2015; and is expected to touch US$ 11 bn by 2020; we are poised to capitalise on this opportunity

Extending reach in Latin America

We acquired 70% stake in Interchange Indústria e Comércio de Produtos Veterinários S.A. Brazil (Interchange Brazil). This will provide us a foothold in the hugely attractive and fast-growing Brazilian market. The transaction allows us access to a strong, professional management team, which will help us expand our footprint in LATAM markets.

"We are happy with the partnership with Alivira and the capital infusion into the company for growth. We see a very strong synergy with Alivira with introduction of new products and technologies as well as giving us access to low cost raw materials. We are confident that this partnership will fast-track the growth of Evance and reach an outstanding position in the Brazilian market."

Jose Nunes Filho, Chief Executive Officer of Interchange/Evance

STRATEGIC RATIONALE

- Brazil is the world's third-largest veterinary market, accounting for 7.5% of the global animal health business. Estimated at US$ 1.2 bn in 2015, the Brazilian veterinary market is growing at 10.5%, twice the average global veterinary growth
- Brazil has the largest commercial bovine herd. It is number two in the poultry market; and has the world's fourth-largest swine population
- Interchange (operating under the trade-name Evance) is among the 'Top 10' Brazilian companies in the veterinary health space. It focuses on poultry and swine segments. It has a best-in-class production plant; and complies with the norms of the Ministry of Agriculture in Brazil
- The company has a portfolio of over 25 registered products consisting of antimicrobials, parasiticides, sanitisers and products for therapeutic support
- Interchange's current management team is led by Mr. Jose Nunes Filho, a person of eminence in the Brazilian market with over 40 years of experience in the animal health market
- As part of the transaction, we will invest US$ 3.6 mn to acquire 70% stake in the company, of which US$ 2.2 mn would be fresh infusion into the company to accelerate growth

DEEPENING OUR KNOWHOW

Our in-house research and development capabilities drive our operations and continued growth. We have a dedicated research and development facility at Mangalore. Our R&D facilities are supported by 120 scientists, operating out of multiple laboratories. Our deep knowledge base and meticulously honed expertise help us unlock value to grow in a sustainable manner for the long-term.

Global Advisory Board

Dr. George Gunn

Dr. Ruurd Stolp

We formed a 'Global Advisory Board' with the induction of Dr. George Gunn and Dr. Ruurd Stolp as its founding members to facilitate and guide the Alivira team in its quest to be a leading Global Veterinary business from India.

Dr. George Gunn has been the President and CEO of Novartis Animal Health business till the time of its divesture to Elanco and President and CEO of Novartis Consumer Health Division prior to that. He also managed the full scope of integration planning for the sale of Novartis Animal Health business to Eli Lilly. Dr. Gunn is a Doctorate in Veterinary Medicine and Surgery.

Dr. Ruurd Stolp has been a Member of the Strategic Advisory Board of Elanco for 5 years. Prior to that, he spent 21 years with Intervet, including the last 6 years as President. Dr. Stolp is also a Doctorate in Veterinary Medicine.

Both Dr. Gunn's and Dr. Stolp's extensive global experience in the animal health industry would add immense value to Alivira's strategy and direction and ensure that the Company is ahead of the curve in addressing and executing opportunities that the market presents.

Our R&D centre is recognised by the Department of Scientific and Industrial Research, Government of India. We have recently commissioned a pilot scale plant for faster product development. Our R&D team has expertise in carbohydrate chemistry and heterocyclic chemistry.

Going forward, we have an aggressive research and development programme in Global Animal Health formulations with over 25 finished dosage products in various dosage forms including orals, solids, liquids, injectable, and pre-mixes. Around 40% of these products are potential day one launch on expiry of respective patents.

Developing a sustainable API pipeline

Product category	Human Health		Animal Health
	APIs	Steroids & Hormones	APIs
Current portfolio	22	12	14
Pipeline	7	10	7
Total	29	22	21

4
DMF / EDMF / CEP cumulative applications filed for Animal Health APIs

1
DMF cumulative applications filed for Human Health APIs – women healthcare

7
DMF / EDMF / CEP cumulative applications approved for Human Health

450+
Animal Health formulations

25+
Animal Health formulations R&D pipeline

10
Human Formulations R&D pipeline

BUSINESS DIVISIONS

WE HELP MEET A GROWING GLOBAL DEMAND FOR ANIMAL PROTEIN AND COMPANIONSHIP

ANIMAL HEALTH

Alivira is a vertically integrated veterinary APIs and formulations player with significant prominence in the global animal health space.

Our API business is characterised by new product development capability, best-in-class infrastructure, wide product basket and long-term relationships with most of the global animal health companies.

In the formulations space, we have established business presence in India, Europe, Africa, MENA, Turkey, LATAM and South East Asia. We have more than 450 dosage forms, focused towards production animals produced in GMP compliant facilities in Spain, Brazil, Turkey and India.

Our long-term vision is to emerge as a global powerhouse for animal health, with consistent focus on quality and compliance.

Wide opportunity landscape

Changing Industry Dynamics	- Emergence of solely focused global animal health companies - Growing oversight of regulatory compliance[2]
Distinct Product Portfolio	- Non-overlapping product portfolio of 'Top 10' companies[1]
Limited Pricing Pressure	- Buyers are pet owners and animal farm owners, leading to self-pay nature of the business, with little pressure of payers like insurance companies or the Government - Higher brand loyalty, especially following consolidation of farming industry, leading to increased impact of veterinarian advice, based on quality, safety, and commercial concerns
Limited Competitive Intensity	- Market dominated by big pharma and a few European companies[2] - No India-based player with scale in animal health API and formulation segment[2] - Retail buyers (e.g. McDonalds, Wal-Mart) have specific preferences for food suppliers[2] - Increasing regulatory scrutiny forcing companies to seek compliant and dependable suppliers[2]
Few products under patent /exclusivity	- Very few products are protected by patents[1] - Limited R&D initiatives in the industry, keeping R&D cost low - Most animal health drugs were originally developed for human health or crop protection[1]

Source: 1. USFDA and 2. Persistence Market Research

CORE STRENGTHS

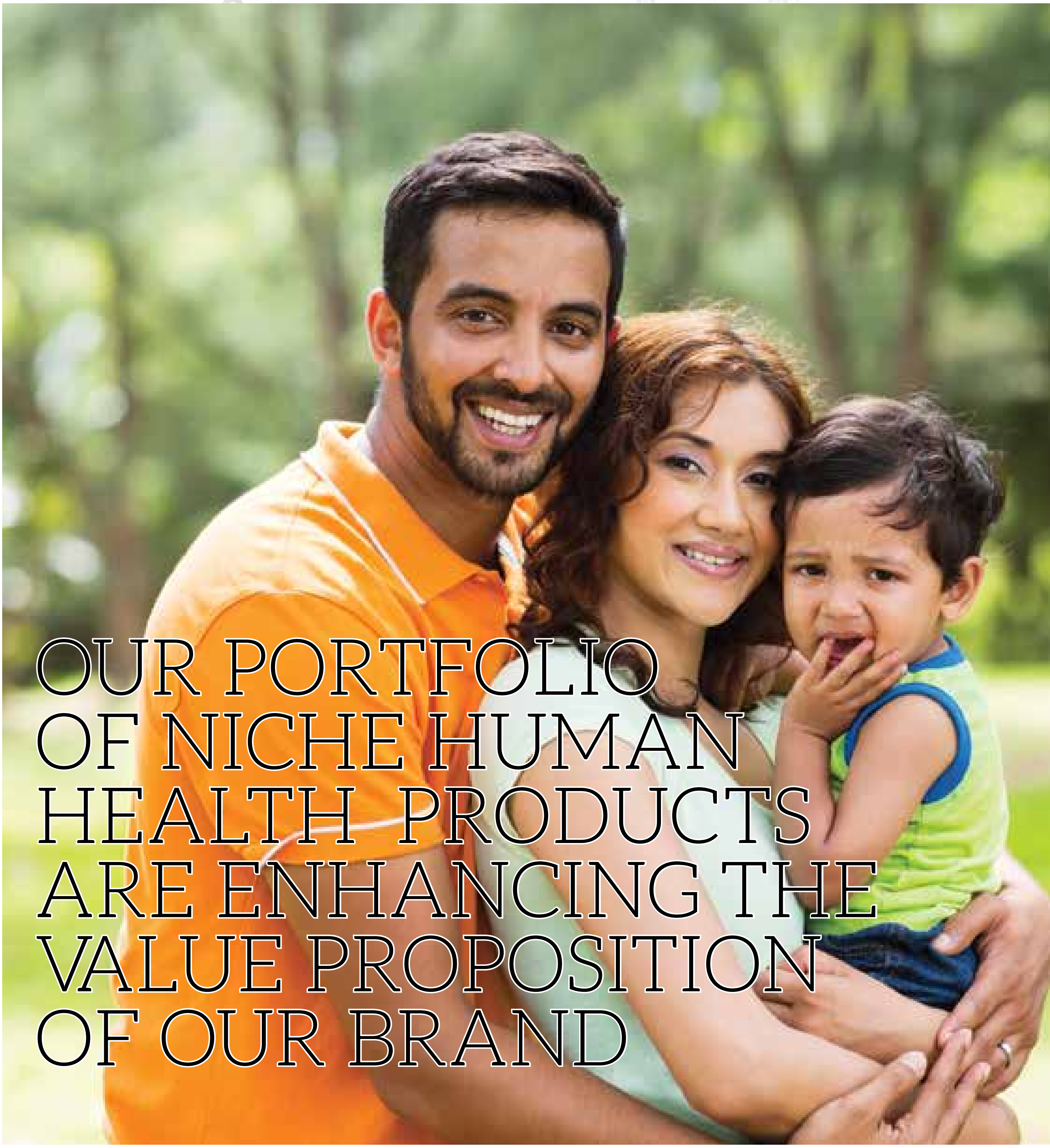
- One of the largest Animal Health company from India with global reach and a wide product range
- Predominant in anthelmintics and 14 products in key therapies, such as antibiotics, beta agonists, NSAID, anti-protozoal and feed additives
- Formulations cater to therapeutic segments like feed supplements, antibiotics, anthelmintics, antibacterial, skincare (dermatology) products and disinfectants
- Growing global reach across Europe, Latin America and Asia

OUTLOOK

We believe that our experience and expertise in Animal Health segment, our dedicated manufacturing facilities and our growing product portfolio will enable us to capitalise on the growth in Animal Health segment nationally and internationally.

We also look forward to fostering partnerships in the US, Australia and selected geographies to fast-track our global presence.

BUSINESS DIVISIONS



OUR PORTFOLIO OF NICHE HUMAN HEALTH PRODUCTS ARE ENHANCING THE VALUE PROPOSITION OF OUR BRAND

HUMAN APIs

We have expanded our API range into the niche area of steroids and hormones. Comprising the therapeutic categories like Anabolic steroid, anti progestin, androgen, progestin and progestogen among others. Our existing portfolio of APIs also spans across therapies like anti-malarial, anthelmintics, anti-infective, antiviral, CNS and dermatology.

We have invested in facilities to create an integrated, flexible unit capable of manufacturing several niche and complex APIs. These manufacturing facilities are capable of meeting the growing demand of our key products in the US, EU and WHO regulated markets.

We have long-term supply agreements with two of the top global pharma companies. Currently, we are selling commercialised products predominantly across markets, requiring WHO pre-qualification.

HUMAN FORMULATIONS

We have recently forayed into the formulations business in the niche area of female healthcare via acquisition of Naari which is currently an emerging markets business.

Going forward, we will aggressively focus on R&D and filings in regulated markets.

CORE STRENGTHS

- Portfolio of: 22 complex APIs across therapies like anti-malarial, anthelmintics, anti-infective, antiviral, CNS and dermatology. 12 APIs in the area of steroids and hormones and 37 formulations registrations in 13 countries
- Commercialised our APIs in the US markets, largest pharmaceutical markets
- The first formulation filing into the regulated markets of EU & US slated to happen in FY17

OUTLOOK

Going forward, our API business will be focused on niche products requiring a low-volume of production and technological complexity, thereby potentially limiting competition. We also target businesses, which are supported by strong customer relationships. Besides, we will continue to focus on expanding our existing formulations products by scaling our current R&D pipeline of 10 products through investments for a sustainable future.

BOARD OF DIRECTORS

Seated from left: Mr. Manish Gupta, Dr. Gopakumar G Nair and Mr. Narendra Mairpady
Standing from left: Dr. Gautam Kumar Das, Mr. KEC Rajakumar, Dr. S Devendra Kumar and Dr. Kausalya Santhanam

DR. GOPAKUMAR G NAIR

Chairman & Independent Director

Dr. Gopakumar G Nair is Chairman and Independent Director on the Board. He has over 40 years of 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. Nair had the opportunity to familiarise himself with GATT, WTO, TRIPs and other IP laws, over the years. With this wealth of experience, he became an IP/patent practitioner under the name Gopakumar Nair Associates.

MR. MANISH GUPTA

Managing Director

Mr. Manish Gupta joined the Company as Chief Executive Officer and joined the Board as Managing Director on November 12, 2014. He has over 22 years of experience in leading and managing business and performance enhancement across the USA, Europe and India. Prior to joining SeQuent, he was the CEO of Pharma of Strides Shasun Limited, where he spearheaded the pharma operations.

MR. KEC RAJAKUMAR
Non-Executive Director

Mr. KEC Rajakumar is the Founder and CEO of Ascent Capital Advisors, an India-focused private equity firm. He has over 15 years of investing experience in India spanning venture capital and private/public equity. He is passionate about supporting entrepreneurs and is associated with several successful private equity-backed companies in India.

Previously, he served as a senior officer of the Indian Civil Services, as commissioner of Income Tax and as regional director of Securities and Exchange Board of India (SEBI), India's capital markets regulator, and as executive director of UTI Mutual Fund. During his association with SEBI, he oversaw the launch of several IPOs, regulated market intermediaries and was also a member of advisory committees. He has also served as a director of five Indian stock exchanges. Mr. Kumar holds a M.Sc. and M.Phil, and an AMP from the Harvard Business School.

DR. GAUTAM KUMAR DAS
Joint Managing Director

Dr. Gautam Kumar Das is a Joint Managing Director on the Board and has over 35 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 and 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, he was with Orchid Chemicals & Pharmaceuticals Ltd., Chennai as President – API.

DR. KAUSALYA SANTHANAM
Independent Director

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

MR. NARENDRA MAIRPADY
Independent Director

Mr. Narendra Mairpady is a commerce graduate with a bachelor of law degree. He is a certified member of the Indian Institute of Bankers. Mr. Mairpady started his banking career as a trainee officer in Corporation Bank in January 1975. In this bank, he was recognised as a member of Chairman's Club for 18 years, including eight years in a row. He joined Bank of India as executive director in November 2008. Subsequently, he joined Indian Overseas Bank (IOB) as the chairman and managing director on November 1, 2010, and retired on July 31, 2014. During his tenure in IOB, the Bank won many awards including National Award for Excellence in MSE lending for the years 2010-11 and 2011-12.

DR. S DEVENDRA KUMAR
Non Executive Director

Dr. S. Devendra Kumar is a graduate in medicine and was one of the key architects in developing Shasun Pharmaceuticals Limited ('Shasun'). He was instrumental in transforming Shasun from a domestic seller to an export-oriented company. He has gained a worldwide reputation for his knowledge in marketing, customer satisfaction, global competition and strategic thinking. He has been consistently mentoring and developing the marketing skills of Shasun.

OUR GLOBAL TEAM

GLOBAL STRATEGY MEET, BARCELONA (SPAIN)

Front from left : Manish Gupta, Claes-Göran Sjösten, Teresa Vila, Eusebi Vila Poble, Dr. Huseyin Aydin, consultant, Ashish Kakbalia and Caio Salomao
Back from left: Marcelo Ziani, Ramon Vila, Eusebi Vila, Abhishek Pareek, Bernard Bradfer, Mats Carlsson and Faas van der Heijden

CORPORATE TEAM, MUMBAI (INDIA)

CORPORATE TEAM, BENGALURU (INDIA)

SCALING WITH TALENT

AS AN ORGANISATION FOCUSING ON MULTIPLE GLOBAL ACQUISITIONS, WE INVEST IN DEVELOPING CAPABILITIES THAT ARE AGILE AND DIVERSE TO SUPPORT OUR BUSINESS GROWTH. AN INTEGRATED TALENT MANAGEMENT FRAMEWORK IS DESIGNED TO SUIT THE ORGANISATIONAL NEEDS AND TO ENSURE OUR PRIME FOCUS IS ON CROSS-LEARNING, KNOWLEDGE SHARING AND BETTER ENGAGEMENT GLOBALLY.

SKILL DEVELOPMENT

We at SeQuent are focused towards building key business skills through Leadership Development, Sales force training and enhancing competencies across levels. In FY16 we initiated 'Leaders for Tomorrow' a programme to develop Manufacturing Leaders at strategic sites, 'Eye of the Eagle' and 'Pursuit of Excellence' programme to enhance sales force efficiency. We also focused on enhancing technical skills across levels through multi-skilling programme.

To further strengthen our Skill Development programme, we are building Competency Framework to align organisational expectation with individual role thereby enabling individuals' leadership journey.

PERFORMANCE MANAGEMENT

A well-defined Strategic Roadmap is taken up as a next step to the existing 'Balanced Scorecard Methodology' implemented last year. The Roadmap facilitates us in tracking key business parameters through an organisation-wide business dashboard. It facilitates in striking a healthy balance and aligning our strategic objectives, key performance areas and focused interventions across functions and levels.

TALENT MANAGEMENT

The diversity in our operations and geography called in for an Integrated Talent Management Framework that is designed keeping in my mind the business challenges. The 'Measure Align Deploy Expand' process of the framework aims at interventions that has clear focus on the 20% of our resources that impact 80% of our business results. It enables us in identifying critical business positions and to have clear chalked-out succession plan.

WOMEN EMPOWERMENT

We believe that different ways of thinking complement each other and lead to better decisions. In other words, gender balance simply makes business sense.

It is therefore essential that we help to increase women's participation in, and contribution to, the value chain in a sustainable way. We pledge to increase our women strength to double by 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

THE ANIMAL HEALTHSCAPE

The ~US$ 30 bn animal health pharmaceuticals market encompassing the production and companion animals forms a subset of the US$ 100 bn animal healthcare industry. The industry as a whole offers untapped opportunities for the healthcare companies that are focussed towards well-being of animals, food security & human safety by avoiding transmission of diseases from animals to humans. The market, mostly dominated by production animal segment, is expected to increase to US$ 46.8 bn in 2020[1] with a CAGR of 7% during 2015-2020. This expansion however, will be led both by companion and production animal segment with each likely to grow at 6.5-7.5%.

With the adoption of International lifestyle and changing food habits in developing countries such as India, there is an increasing meat consumption. The global meat production is expected to grow from an estimated ~272 mn tons in 2015 to ~341 mn tons in 2030[2]. In developing countries such as China, India and Brazil, it is expected to increase from an estimated ~164 mn tons to ~224 mn tons during the same period. This apart, there has been a considerable growth in zoonotic diseases, due to the upsurge in the animal population, which has supported the growth of the animal healthcare market world over.

Further with the changing lifestyle, there is a rising trend for pet adoption, cats and dogs. This market, however, continues to be small and largely limited to big cities.

For SeQuent Scientific, the Animal Health business functions under the aegis of Alivira, its wholly owned subsidiary. Alivira is committed to mitigate the varied challenges of those who raise and care for animals and the production animals space remains the mainstay for business. We focus on improving farm productivity along with bringing innovating solutions to veterinarians to address the global animal health related issues. Our API business is characterised by new product development

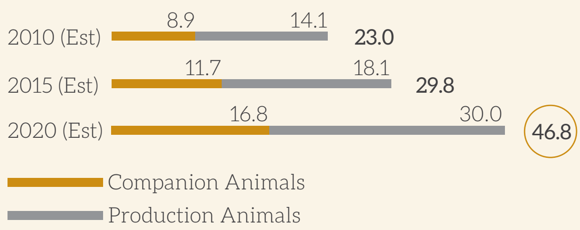
~US$30bn

The animal health pharmaceutical market, a ~US$ 30 bn subset of the US$ 100 bn animal healthcare industry

capability, best-in-class infrastructure, wide product basket and long term relationships with most of the global animal health companies. We have already transformed ourselves into a formulation led company with close to 80% of our total veterinary revenues being realised from the formulations sales. In this space, we have established our business presence in India, Turkey, Europe, Latin America (LATAM), Africa, Middle East and North Africa (MENA) and South East Asia. We have 450+ dosage forms focused towards production animals produced in GMP compliant facilities in Spain, Brazil, India & Turkey and R&D development in India, Turkey and Spain. We are present in over 54 countries for Animal Health Formulations and 44 countries for Animal Health APIs realising over 80% of the revenues outside India. It would be right to believe that Alivira has emerged as the first vertically integrated global Animal Health business from India.

Projected Growth in Animal Healthcare Industry

US$ bn



1 Global Animal Healthcare Market Size, Share, Development, Growth and Demand Forecast to 2020 by P&S Market Research
2 Food and Agriculture Organisation (FAO) of the United Nations
3 As on July 31, 2016

OUR FOCUS MARKETS AND OPPORTUNITY

At Alivira, our focus is towards addressing global animal health challenges and in order to attain our objective, we have carefully chosen markets wherein we contemplate opportunities for progress with growing awareness about safe and healthy animal environment.

India

Market Highlights	Our Presence Today	Growth Drivers
• Second fastest growing market for animal healthcare • The healthcare market for production animals is expected to grow from an estimated ~US$ 463 mn in 2015 to ~US$ 660 mn in 2019 at a CAGR of 9.1%.	• Established presence with overall business revenue of ₹ 403 mn • Acquired the Animal Health division of Lyka Labs to double our presence in India • 250+ dosage forms • 250+ field force	• Increasing population and changing lifestyle • Farm owners are now focusing more on the health of the animals, due to increasing concern for healthy meat. • Increasing per capita poultry meat consumption • Expansion of milk production

Europe

Market Highlights	Our Presence Today	Growth Drivers
• Second largest animal health market in the world • Total market size of ~US$ 8 bn in 2015 • 31% of the global animal health pharmaceutical market	• Established Front end presence in top 10 markets within Europe • EU-GMP approved Manufacturing base in Spain with dedicated research and development centre • Team of 100+ employees and over 90+ product registrations	• EU is one of the 3rd largest producer of meat- A key focus area for Alivira • Anticipated to continue growth @ 6-7% to ~ US$ 11 bn by 2020 • More than 70% of the Antimicrobials product sales are in the form of premixes & oral powders - a growing segment with strong participation from Alivira

Turkey

Market Highlights	Our Presence Today	Growth Drivers
• US$ 400 mn veterinary market, which is growing at around 8% year on year, faster than the global industry growth • Turkey is amongst the top 10 ruminant market and overall the 16th largest veterinary market in the world • 9th largest milk producing nation	• Alivira is the largest Animal Health Company in Turkey(~10% market share) • Early mover advantage in terms of new GMP regulations effective 1st November 2015 • Portfolio of 120+ products • 50+ field force	• Turkey is key poultry meat producer in the world • Enhanced presence in cattle & sheep segment • Significant cost synergies with combined operations of Topkim and Provet

Latin America

Market Highlights	Our Presence Today	Growth Drivers
■ Largely dominated by the two markets of Brazil and Mexico ■ Brazil is the third largest veterinary market in the World accounting for 7.5% of the global animal health business ■ Mexico is 6th largest poultry meat producing country	■ Foray into the key markets of Brazil and Mexico ■ Operating under the name 'Evance', Interchange in Brazil is amongst the 'Top 10' Brazilian Companies in the veterinary health space with a focus on poultry and swine segments ■ Portfolio of 25+ registered products consisting of antimicrobials, parasiticides, sanitisers amongst others with field force of 22 ■ Mexico: With the field force of 7 and a product portfolio 28 registered products mainly in the poultry segment	■ Estimated at US$ 1.2 bn in 2015, Brazilian veterinary market is growing at 10.5% which is about twice the average global veterinary growth ■ Ranking amongst the top 10 countries in the world population i.e both Brazil & Mexico ■ Brazil meat production: No 1 in Beef cattle No 2 in Poultry No 4 in Swine ■ Mexico ranks : 9th in Beef production and 8th in Hog & Pork production

Africa

Market Highlights	Our Presence Today	Growth Drivers
■ US$ 800 mn market as on 2015 ■ One of the fastest growing market for animal healthcare ■ Likely to grow at a CAGR of 10% over the next 5 years ■ Potential future market owing to transition of ruminants to poultry	■ Presence in over 14 countries including key markets of Uganda, Kenya, Egypt and Nigeria ■ 65+ approved dossiers, 30+ dossiers filed for approval and 30+ dossiers in the pipeline	■ Anticipated 45% increase in human population ■ Fast growing youth population resulting in changing lifestyle and demand for proteins and meat consumption ■ Africa has one of the largest fertile land which is very useful for poultry and cattle population

South East Asia (SEA)

Market Highlights	Our Presence Today	Growth Drivers
■ US$ 1.2 bn animal health as on 2015 ■ Major poultry & Swine market ■ Global hub for feed manufacturing	■ Front end model in Philippines & Vietnam ■ 35 approved dossiers, 17 dossiers filed for approval and 18 in pipeline.	■ Meat consumption will double by 2020 ■ Anticipated 30% increase in human population in next 10 years ■ Future veterinary growth driver with CAGR 8% ■ 40% Global meat & egg demand growth in SEA ■ Non-antibiotic growth promoter market to expand with CAGR 10% ■ Key markets: Thailand, Korea, Indonesia

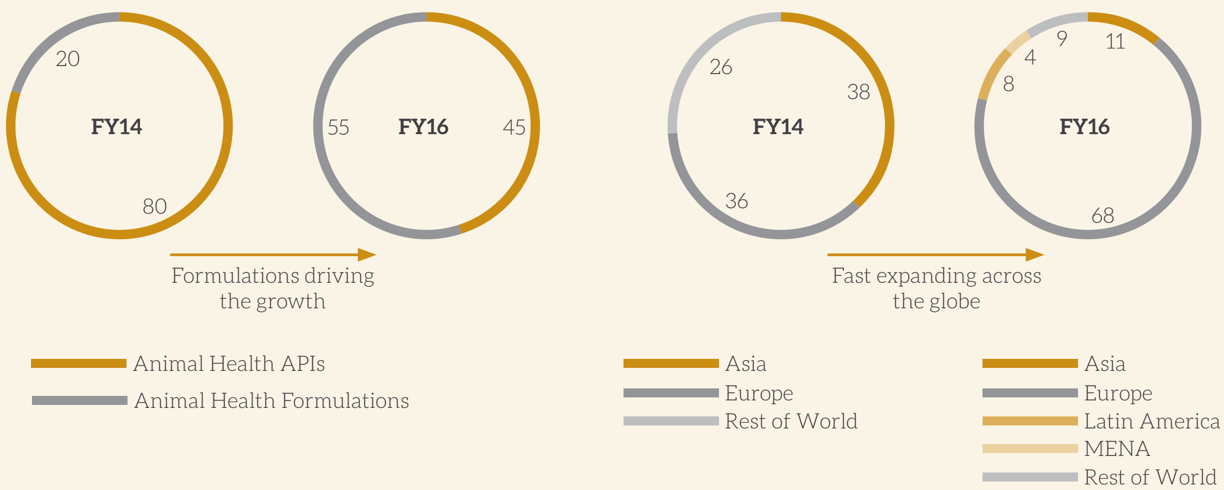
STRATEGIC INITIATIVES AND PERFORMANCE IN FY16

Animal Health

Alivira, which we christened two years back is one of the prominent names in the industry now. While we were already an established player in APIs we have made significant inroads in our formulations business. During the Fiscal 2016, our Animal Health business contributed 45% to the consolidated business of SeQuent.

Animal Health Business Split

(%)



Animal Health APIs

We are one of the largest API manufacturers from India. Predominant in anthelmintics, we have 14 products in key therapies such as antibiotics, beta agonists, NSAID, anti protozoal and feed additives. Our multi-purpose facility at Vishakhapatnam (Vizag) has initiated EU supplies and first filings have also been made for the US market.

From a business point of view, our Animal Health API vertical contributed 20% to the topline. We remain confident on our future with our investments in research and development translating into value for company. Over the last 18 months, we have successfully launched 5 products and about 7 products are under different stages of development. During the year, we also succeeded in clearing more than 10 audits from leading global animal health companies.

Going forward, we are well prepared to capture growing opportunities in the industry. We have strategically progressed in the direction and our vision to become a potential global player is rightly fuelled by our world class infrastructure and a pipeline of molecules through our research engine.

Animal Health formulations

2015-16 has been a year of strategic growth in the Animal Health formulations business of Alivira. From being a specialised player in few territories and products, we have grown ourselves to multiple territories and therapeutic categories. Today, while being one of the largest Animal Health formulations company in India, we are the largest player in Turkey, and have also scaled our presence in other parts of the world including Europe and Latin America. Our therapeutic segments include feed supplements, antibiotics, anthelmintics, antibacterial, skincare (dermatology) products and disinfectants.

During the year, we strengthened our presence in India by way of acquisition of Lyka Labs' Animal Health division as a going concern basis. This business has complemented our cattle and dairy segment while giving us a strong presence in the institutional segment which augurs well for achieving our strategic vision of becoming a powerhouse in Animal Health landscape. The addition of Lyka products has enhanced our product portfolio to 250+ and given us major pan-India reach with 250+ field force.

In the international formulation segment, we registered a growth ₹ 1,201 mn including new businesses. In Turkey, we acquired Topkim Ilaç Premiks San. ve Tic. A.S ("Topkim") through Provet Veterinary Products, Turkey, a subsidiary of Alivira. This business gives us enhanced portfolio of 120+ products, presence in sheep segment and will give us cost synergies & skills to capitalise in the new GMP regime at Turkey. Topkim is one of the highly reputable veterinary company in Turkey, with a heritage of 50 years of business presence and over 67 approved products mainly comprising of ectoparasiticides, endectocides, and Injectable Antibiotics. The consolidated entity made Alivira the largest Branded Generics Animal Health Company in Turkey, which is a US$ 400 mn market growing at 8% year on year.

We are also happy to share the Alivira's first foray into European Veterinary market through acquisition of N-VET and Fendigo. We acquired 85% stake in these companies with the current management team continuing to run the business while retaining the balance stake.

Post the financial year closing we entered the Spanish market via acquisition of the Karizoo Group of companies by acquiring a 60% stake in the family held Vila Vina Particpacions which owns Karizoo Spain, Phyto solutions Spain, Covivet Spain and Karizoo Mexico. Headquartered in Caldes de Montbui, Barcelona - Karizoo Group was established by Vila family in 1983 with objective of making a difference to the health and well-being of farm animals. The Spanish business comes with a oral manufacturing facility capable to manufacture oral powders, drug premixes & oral solutions and has more than 77 regulatory approvals.

The various EU acquisitions have established Alivira as an important player in the region with direct presence in Spain, Belgium, Netherlands, Luxemburg, Sweden and footprints in 15 European markets, thus making Europe the largest region for Alivira's operations.

US$400mn

Alivira is now the largest animal health care company in Turkey, which is a US$ 400 mn market, growing 8% YoY.

In July 2016 we debuted the Brazilian market with the addition of Evance by acquiring a majority stake (70%) in Interchange Veterinária Indústria E Comércio S.A. Brazil ("Interchange"). This is in line with our strategy of establishing a foot hold in hugely attractive and fast growing Brazilian market. The deal gives us access to an oral manufacturing facility, has 25+ products & a strong, professional management team who will help us further expand our footprint in the Latin American markets.

The various acquisitions made during the year will not only give us front end presence but also give a fillip to our vision of global growth by fast tracking the launch of our products in the global markets.

Alivira has now 450+ products being sold in 54 countries across the world. It has strong formulations business in key veterinary markets of Europe, LATAM, India, Turkey, Africa and South East Asian countries; with manufacturing operations in Spain, Brazil, India & Turkey; R&D development in India, Turkey and Spain.

Going forward, Alivira would focus on integration of the global organisation to drive synergies and an aggressive global new product development program. These will drive the next phase of value creation accelerating revenues and margin expansion in the business.

Human Pharma

In the Human Pharmaceutical industry, the sales continued to expand. After reaching US$ 1 trillion in 2014, the pharmaceutical industry is likely to reach US$ 1.4 trillion by 2020. According to IMS, half of the world will live in the countries where use of medicine would exceed one dose per day per person. The increase in the pharmaceutical sales would largely be driven by greater patient access to chronic disease treatments and breakthrough innovations in drug therapies. The growth would remain in the range of 4-7% world over. IMS assumes that between 2015 and 2020, the surge in innovative medicines from R&D pipeline coupled with technology enabled advances will deliver measurable improvements in healthcare space. It is also believed that most of the global increase in use of medicines over the next five years will take place in emerging markets, with India, China, Brazil and Indonesia representing nearly half of that growth. Volumes in developed markets will remain relatively stable and trend toward original branded products as use of specialty medicines becomes more widespread. Generics, non-original branded and over the counter (OTC) products will account for 88 percent of total medicine use in pharma emerging markets by 2020, and provide the greatest contribution to increased access to medicines in those countries.

India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. It enjoys an important position in the global pharmaceuticals sector as the Country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

In the financial year 2016, the Indian Pharma Market (Domestic-IPM) registered ₹ ~985 bn of sales. The growth stood at ~13% primarily driven by volumes with 5.2% growth. The Pricing growth was at 4.7% while the growth in new products was estimated at 2.8%. Amongst the leading therapies, anti-infectives, which dominate the industry by ~15% market share grew close to 8%. Robust growth was witnessed amongst the lifestyle therapies like Anti-diabetics, gastro-intestinal, dermatology and CNS drugs.

Our Human API business as a strategy focuses on products which are mature, have limited competition, technological complexity and where we can attain strong backward integration. With our multi-disciplinary team of 120 scientists we believe we have a strong research foundation to work on technically challenging products and has a current portfolio of 7 products under development. Our API business largely driven by regulated markets supported by a FDA approved multi-purpose facility at Mangalore has 17 molecules across therapies like anit-malarial, anthelmintics, anti-invective, antiviral, CNS and dermatology.

During the year, we registered a significant 70% growth over the previous year backed through our strategic arrangements with Arch Pharma. Growth was also supported by the launch of Sofosbuvir, a Hepatitis C product under licensing arrangement with Gilead International & improved performance in our existing key molecule. From a strategic perspective, we also acquired controlling stake in Naari (formerly Indo Phyto Chemicals Pvt Ltd) a company focused in the area of steroids & hormones with special focus on female healthcare. It is in line with our business strategy of focusing on niche & complex segments in the market place. With Naari's specialised capabilities, extensive R&D program of portfolio expansion and our strong global foot print, we believe the business will enter the next orbit of growth.

Naari has the unique distinct of being one of the few companies in the space of female healthcare with integrated capabilities spanning APIs & Formulations. Its API facility has both fermentation & chemical synthesis capability giving it the unique ability to produce API's from key basic starting materials that are extracted from plants. It currently produces 12 APIs & has a 10 products under development. The company is already supplying its products to the regulated market and has commenced its DMF filings.

Naari's has an extensive female healthcare formulations business in a emerging markets & has more than 37 registrations. Its plant in Uttarakhand, India has approvals from EU, turkey & Brazilian health. With an aggressive R&D program of 10 products under development its regulated market filing for EU & US slated is to happen in FY17.

We believe that our investments in market access, research, technology & infrastructure will drive our growth for the future. We are continuously focused on our core objectives of creating value via aggressive growth for the organisation.

BUSINESS PERFORMANCE REVIEW

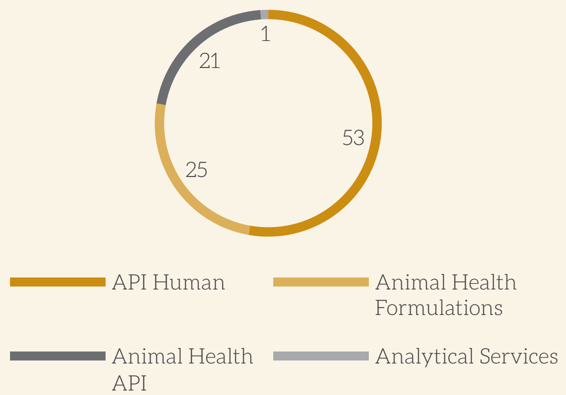
SeQuent had an eventful financial year 2016. The company underwent a series of acquisitions to expand its footprints and enhance capability & offerings. From a financial perspective, we strengthened our balance sheet position by successfully raising ₹ 4,000 mn pursuant to Qualified Institutional Placement of ₹ 7.47 mn shares at ₹ 535/- per share[4]. The QIP was to further our long-term vision of the company and part money raised has been deployed for the strategic initiatives of the Company. The Company possibly took quite a number of steps in driving growth and value for the business.

In FY16, we registered a top line of ₹ 6,345 mn which is 43% (excluding discontinued operations) growth over the previous year. This growth features the addition of new acquired businesses during the year. The Human API business witnessed increase in revenues on account of new products gaining momentum in the market and addition of Naari's sales. The Veterinary API business continued to face challenges from the key markets due to

4 Pre-split from ₹ 10/- to ₹ 2/-

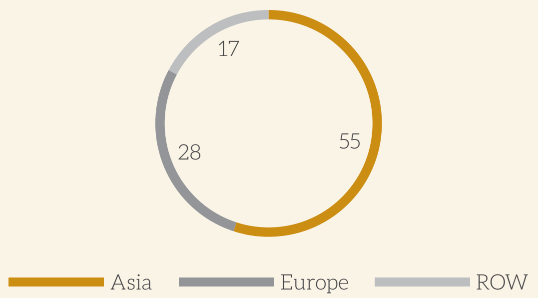
geo-political reasons coupled with slow offtake from the existing customers. The major increase in the revenue has come from the formulations business which witnessed a number of new businesses acquisitions including India business of Lyka Labs, Topkim in Turkey, Fendigo and N-Vet in Europe. In the analytical services, the company registered a topline of ₹ 79 mn and we also opened our new GLP (Good Laboratory Practices) compliant Analytical Services Centre at Bengaluru. Built with a laboratory space of 10,000 square feet and latest analytical equipment, the new Bengaluru centre has given us access to a wider range of therapies including Beta Lactam and Hormones. We service ~15 customers including the leading global companies from its existing centre at Mangalore. This apart, we successfully completed our second USFDA inspection of our Mangalore API plant July 2015.

Sales by Verticals
%



Consolidated basis

Sales by Geography
%



BUSINESS RESOURCES

R&D

Collaborating in dynamic ways with innovation across our core areas is what we believe in. Our in-house research capabilities span with a DSIR recognised R&D centre based out of Mangalore. The facility has 8 labs, 80 fume hoods and over 120 scientists. We will be commissioning a pilot scale plant for faster product development. Our research and development team has expertise in heterocyclic chemistry.

Going forward, we look to yield benefits from our pipeline of 7 products in Animal Health APIs, 17 in Human Health API's and a significant number of Animal & Human formulations.

Quality

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

IPR

From a regulatory perspective, we are fully accomplished to encounter the challenges of modern-day Intellectual Property Management in Pharmaceutical Industry. We have a well-qualified and experienced team for IPR that facilitates the development of intellectual wealth and supports to identify new potential and markets for API & formulations across the globe. In the Animal Health segment, we filed 3 DMFs in addition to EDMF for eight of our APIs. We also made CEP filing for four of our APIs. As on date, we also have 30 DMFs in the Human Health segment.

Employees

Human resource is one of the most important assets for us. We envisage in achieving organisational excellence by implementing sound HR Practices that align Human Capital with Corporate Vision to positively impact overall business performance. Our people strength stands at over 1,600 of which 200 are part of our overseas operations.

Employee composition

Qualification	Employees
Post Graduates	320+
Graduates	350+
Veterinarians	65+

In the FY16, we focused towards building organisational capability by initiating:

- "Leaders for Tomorrow" - a program to develop Manufacturing Leaders at strategic sites
- "Eye of the Eagle" & "Pursuit of Excellence" - programs to enhance sales efficiency
- Programs to drive employee wellness across sites session on Stress Management, Meditation and Women's Safety were conducted.
- For employee delight programs like New Year Bonanza, Gift A Smile, Thanks Giving Day were initiated.

We firmly believe the strength of an Organisation depends upon its ability to develop its people.

EHS

We consider safety at first, therefore our endeavour is to ensure establishment of safe working conditions in all areas, to provide adequate protection for its employees, visitors & stakeholder.

To achieve the same and to strengthen safety the following activities are taken up:

- Monthly Safety Award for people who follow best Safety practices
- My Area – Safe Area: Managers/Supervisors identify unsafe practices and unsafe conditions at workplace to make their areas as a Safe Areas.
- Safety Pause: Before starting any critical activity, safety pause is being followed to prevent a workplace injury
- Celebration of National Safety Day/ Week to reiterate the importance of Safety. Various activities, competitions, training programs conducted during the week (March 04-10) renewing our commitments towards Safety.
- Observance of National Fire Services week (April 14-20) to promote Fire Safety Awareness among all employees and associates in the workplace.

FINANCE

Consolidated Balance Sheet

The following is the abstract of balance sheet for FY16 and FY15

(₹ in mn)

Particulars	FY16	FY15	Movement
EQUITIES AND LIABILITIES			
Shareholder's Fund			
Share capital	476.5	304.9	171.6
Reserves and surplus	8,127.0	319.8	7,807.2
Money received against share warrants	130.6	288.1	(157.5)
	8,734.1	**912.7**	**7,821.4**
Minority interest	256.9	1,469.3	(1,212.4)
Non-current liabilities			
Long-term borrowings	2,126.6	2,503.2	(376.6)
Deferred tax liabilities (net)	15.2	15.3	(0.1)
Other long-term liabilities	-	-	-
Long-term provisions	136.0	117.0	19.1
	2,277.8	**2,635.4**	**(357.6)**
Current liabilities			
Short-term borrowings	560.4	2,043.1	(1,482.7)
Trade payables	1,439.3	909.4	530.0
Other current liabilities	666.9	1,074.3	(407.5)
Short-term provisions	71.7	32.7	39.0
	2,738.3	**4,059.5**	**(1,321.2)**
Total Equities and Liabilities	14,007.1	9,077.0	4,930.2
ASSETS			
Fixed assets			
Tangible assets	4,532.4	3,901.9	630.5
Intangible assets	405.0	131.8	273.2
Capital work-in-progress	217.5	367.4	(149.9)
Intangible assets under development	17.7	23.2	(5.4)
Goodwill on consolidation	2,757.1	710.7	2,046.5
Non-current investments	1,166.1	580.4	585.8
Deferred tax assets (net)	-	-	-
Long-term loans and advances	210.3	249.2	(38.9)
Other non-current assets	10.3	15.6	(5.2)
	9,316.5	**5,980.0**	**3,336.5**
Current assets			-
Current investments	632.7	5.8	626.9
Inventories	1,350.8	943.6	407.2
Trade receivables	1,758.5	1,154.4	604.1
Cash and cash equivalents	242.5	384.6	(142.1)
Short-term loans and advances	512.0	445.9	66.2
Other current assets	194.3	162.8	31.5
	4,690.7	**3,097.0**	**1,593.7**
Total Assets	**14,007.1**	**9,077.0**	**4,930.2**

Shareholders' Funds

The Company's share capital increased from ₹ 304.9 mn in FY15 to ₹ 476.5 mn in FY16. This increase of ₹ 171.6 mn factors the following:

a. Conversion of 2,000,000 warrants issued during FY15 on preferential basis at a conversion price of ₹ 222.15 per equity share of the company as approved in the Extra Ordinary General Meeting dated May 21, 2014, 3,000,000 warrants on preferential basis at a conversion price of ₹ 236 per equity share of the Company as approved in the Extra Ordinary General Meeting dated July 1, 2014 and 100,000 warrants at a conversion price of ₹ 475 per equity share of the Company as approved in the Extra Ordinary General Meeting dated March 31,2015.

b. Issue of 7,476,635 equity shares of ₹ 10 each at a price of ₹ 535 per equity share to Qualified Institutional Buyers

c. Issue on a preferential basis to Promoter group entities and Non- Promoter group entities 757,734 and 2,827,679 equity shares of ₹ 10 each respectively at a price of ₹ 669.1 for consideration other than cash.

Further, with effect from February 26, 2016, the Company's equity shares of ₹ 10 each was sub-divided into 5 equity shares of ₹ 2 each.

Reserves and Surplus

The reserves and surplus have increased from ₹ 319.8 mn in FY15 to ₹ 8127.0 mn in FY16. This change is mainly on account of receipt of premium on shares issued during the year.

Minority Interest

The minority interest has reduced from ₹ 1,469.3 mn in FY15 to ₹ 256.9 mn in FY16, mainly due to purchase of entire stake in Alivira Animal Health Limited, India.

Non-current Liabilities

Long Term Borrowings

The long term borrowings have reduced from ₹ 2,503.2 mn in FY15 to ₹ 2,126.6 mn in FY16 on account of repayment to banks as per schedule.

Long Term Provisions

The long term provisions have increased on account of increased provisions on employee benefits (gratuity, compensated absences and termination). The long term provisions stand at ₹ 136.0 mn as on March 31, 2016 as against ₹ 117.0 mn in the previous year.

Current Liabilities

Short Term Borrowings

The company has reduced its leverage on bank finance and therefore its short term borrowings have reduced from ₹ 2,043.1 mn in FY15 to ₹ 560.4 mn in FY16.

Trade Payables

The Increase in trade payables from ₹ 909.4 mn in FY15 to ₹ 1,439.3 mn in FY16 is in line with the expanded business scale.

Other Current Liabilities

The other current liabilities have reduced from ₹ 1,074.3 mn in FY15 to ₹ 666.9 mn in FY16 because of the following factors:

1. Reduction in the payables for fixed assets
2. Drop in other current liabilities of ₹ 650.5 mn to ₹ 9.6 mn on account of amount paid towards acquisition of 7.4 mn equity shares of Alivira Animal Health Limited from Shasun Pharmaceuticals Limited.

Short term provisions

The increase in provision from ₹ 32.7 mn to ₹ 71.7 mn in FY16 captures the increased provisions for employee benefits on account of new manpower addition due to integration of new businesses. The provision for taxes has also increased for the fiscal year 2016.

Non current assets

Fixed Assets

The increase in fixed asset is a resultant of new businesses which have been acquired during the year. The gross block addition of the new businesses is:

Tangible assets

(₹ in mn)

Gross block						
Balance as at April 1, 2015	Additions	Assets acquired on acquisition of subsidiary	Effect of foreign currency exchange differences	Borrowing cost capitalised	Deletions	Balance as at March 31, 2016
4,865.75	638.90	550.17	(28.21)	4.12	42.80	5,987.93

Intangible assets

(₹ in mn)

Gross block						
Balance as at April 1, 2015	Additions	Assets acquired on acquisition of subsidiary	Effect of foreign currency exchange differences	Borrowing cost capitalised	Deletions	Balance as at March 31, 2016
386.08	102.33	322.23	(59.56)	-	-	751.08

Current assets

The increase in current assets is in line with the augmented business of the Company.

Non-Current Investments

The non-current investments have increased from ₹ 580.4 mn in FY15 to ₹ 1,166.1 mn in FY16. This increase is on account of our investments in Strides Shasun Limited. During the year, the Company converted 7,100,000 warrants to equal number of equity shares of ₹ 2 each. With this conversion, the Company had 10,600,000 equity shares of Shasun Pharmaceuticals Limited. Subsequently, pursuant to scheme of amalgamation between Strides Arcolab Limited and Shasun Pharmaceuticals Limited, the Company has received 3,312,500 equity shares of ₹ 10 each in the amalgamated entity (Strides Shasun Limited, formerly known as Strides Arcolab Limited) in lieu of 10,600,000 shares of Shasun Pharmaceuticals Limited.

FINANCE

Consolidated Statement of Profit and Loss

Following is the abstract from the consolidated profit and loss account for FY16 and FY15:

(₹ in mn)

Particulars	FY16	FY15	% change
Net Revenue from operations	6,344.7	4,432.2*	43%
Other income	106.5	99.6	7%
Total revenue	**6,451.2**	**4,531.8**	**42%**
Expenses			
(a) Cost of materials consumed	2,131.1	1,990.8	7%
(b) Purchases of stock-in-trade	934.7	239.4	291%
(c) Changes in inventories of finished goods and work-in-progress & intermediates	80.6	26.7	202%
(d) Employee benefits expense	872.5	611.1	43%
(e) Finance costs	385.6	429.8	(10%)
(f) Depreciation and amortisation expense	482.3	317.5	52%
(g) Other expenses	1,697.2	1,383.2	23%
Total expenses	**6,583.9**	**4,998.4**	**32%**
Loss before exceptional items and tax	(132.7)	(466.6)	(72%)
Exceptional items	(36.9)	(166.6)	(78%)
Loss before tax	**(169.6)**	**(633.2)**	**(73%)**
Tax expense	**28.2**	**33.9**	**(17%)**
Loss from continuing operations after tax	**(197.8)**	**(667.1)**	**(70%)**
Discontinuing Operations			
Loss from discontinuing operations before tax	-	(1.9)	(100%)
Less: Tax expense of discontinuing operations			
Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations	-	551.4	(100%)
Less: Tax expense relating to gain			
Profit / (Loss) from discontinuing operations after tax	-	549.5	(100%)
Total Operations			
Loss for the year	(197.8)	(117.6)	68%
Share of minority interest	23.7	(10.2)	(332%)
Loss for the year after minority interest	**(221.6)**	**(107.4)**	**106%**

*excluding discontinued operations

Operating Revenue

The sales increased from ₹ 4,432.2 mn in FY15 to ₹ 6,344.7 mn in FY16. This increase is commensurate with integration of new businesses both in the Human API and Animal Health formulation space.

Cost of Materials Consumed

The cost of material consumed, as a percentage to net sales has reduced because of optimisation of processes and improved product mix.

Employee Benefit Expenses

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

1. 28% increase is on account of integration of new businesses
2. Increase in the headcount from 1,093 to 1,583.
3. Average annual salary increase of 8.5%
4. Increase in expense on ESOP scheme
5. Proportionate increase in staff welfare expenses

Finance Costs

Commensurate with the reduced borrowings, the finance cost has come down from ₹ 429.8 mn in FY15 to ₹ 385.6 mn in FY16.

Exceptional Items (net)

The exceptional items include expenses of ₹ 36.9 mn on account of expenses related to acquisition of subsidiaries.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

DIRECTORS' REPORT

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

1. FINANCIAL SUMMARY

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

(₹ in mn)

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

2. BUSINESS PERFORMANCE REVIEW

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

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

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

Business Overview

Human API

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

Animal Health

- Strategic progression from API driven model to formulation led business
- Expansion to new geographies globally and strengthened presence in existing markets

Analytical Services

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

R&D

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

Corporate Actions

Human Health Business

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

Animal Health Business

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

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

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

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

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

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

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

3. DIVIDEND

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

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

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

4. SHARE CAPITAL

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

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

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

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

ABOUT SEQUENT

STATUTORY REPORTS

FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

6. SUBSIDIARIES

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

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

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

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

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

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

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

Incorporation of other subsidiaries

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

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

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

1. Alivira Animal Health Limited, Ireland became a wholly owned subsidiary of the Company pursuant to acquisition of entire shareholding in Alivira Animal Health Limited, India

2. Shareholding in Provet has increased from 55.15% to 60% of total equity capital pursuant to acquisition of entire shareholding in Alivira Animal Health Limited, India

Accounts of Subsidiaries

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

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

7. EXTRACT OF ANNUAL RETURN

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

8. PUBLIC DEPOSIT

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

9. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Board Composition

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

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

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

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

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

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

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

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

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

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

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

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

10. MEETINGS OF THE BOARD

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

11. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

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

The Nomination and Remuneration Committee at its meeting held on July 30, 2015 has adopted a policy namely Sequent Policy on Nomination and Remuneration ("the Policy") in adherence to Section 178(3) of the Companies Act, 2013 and Clause 49 (IV) (B) (4) of the Listing Agreement as entered with stock exchange (till November 30, 2015)/ provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015). The policy shall act as a guideline on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and other employees of the Company. The policy is given as Annexure 3 in this report.

12. EVALUATION OF BOARD OF DIRECTORS

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

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

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

13. AUDIT COMMITTEE

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

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

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

14. SECRETARIAL AUDIT REPORT

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

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

15. AUDITORS

Statutory Auditors

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

Cost Auditor

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

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

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

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

16. AUDIT REPORT

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

17. PARTICULARS OF EMPLOYEES

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

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

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

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY

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

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

22. RISK MANAGEMENT

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

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

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

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

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

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

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

26. CORPORATE GOVERNANCE

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

27. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 (3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report forms part of this Report.

28. EMPLOYEE STOCK OPTION SCHEME

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

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

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

29. APPRECIATION

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

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

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

Place: Bengaluru
Date: August 12, 2016

Dr. Gopakumar G Nair
Chairman

ANNEXURE 1

FORM AOC - 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing sailent features of the financial statement of subsidiaries/ associate companies/ joint ventures)

Part A - Subsidiaries

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

(₹ in mn)

Sl No.	Name of the Subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	SeQuent Penems Private Limited	May 10, 2010	India	NA	INR	-	45.26	(13.15)	202.59	170.48	-	13.04	6.63	-	6.63	-	89.23
2	Elysian Life Sciences Private Limited	March 2, 2010	India	NA	INR	-	0.10	(111.65)	0.67	112.22	-	0.08	0.42	-	0.42	-	100.00
3	Alivira Animal Health Limited, India	September 30, 2013	India	NA	INR	-	414.06	2,414.45	4,399.26	2,251.57	680.82	2,090.89	(284.96)	-	(284.96)	-	100.00
4	Alivira Animal Health Limited, Ireland	September 1, 2014	Ireland	NA	USD	66.3329	718.05	(134.00)	365.08	1,506.16	1,725.13	3.04	(91.15)	-	(91.15)	-	100.00
5	Provet Veteriner Ürünleri San. ve Tic. A. S.	September 9, 2014	Turkey	NA	TRY	23.3636	46.73	447.44	817.10	684.06	361.13	519.40	47.69	11.56	36.13	-	60.00
6	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	13.27	217.33	159.96	-	187.23	(7.16)	(1.98)	(5.18)	-	100.00
7	SeQuent Anit Biotics Private Limited	May 4, 2010	India	NA	INR	-	0.10	(0.61)	-	0.51	-	-	(0.01)	-	(0.01)	-	100.00
8	SeQuent Pharmaceuticals Private Limited	May 11, 2010	India	NA	INR	-	0.10	(0.21)	0.11	0.22	-	-	(0.03)	-	(0.03)	-	99.99
9	SeQuent Global Holdings Limited	June 12, 2008	Mauritius	NA	Euro	75.0955	10.57	(10.67)	1.02	1.12	-	-	(1.85)	-	(1.85)	-	100.00
10	SeQuent European Holdings Limited	May 19, 2008	Cyprus	NA	Euro	75.0955	0.30	(0.30)	-	-	-	-	1.15	-	-	-	100.00
11	Fendigo SA	December 3, 2015	Belgium	NA	Euro	75.0955	11.63	44.78	140.30	83.89	-	246.75	15.71	3.46	12.25	-	85.00
12	Fendigo BV	December 3, 2015	Netherland	NA	Euro	75.0955	2.25	12.67	24.41	9.49	-	45.26	2.26	1.92	0.34	-	85.00
13	N-Vet AB	December 3, 2015	Sweden	NA	SEK	8.131	4.88	100.30	139.33	34.15	-	110.43	21.56	3.83	17.73	-	85.00
14	Indo Phyto Chemicals Private Limited	January 27, 2016	India	NA	INR	-	5.10	63.14	660.56	592.32	-	197.84	16.31	0.53	15.78	-	51.02
15	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.	December 11, 2015	Turkey	NA	TRY	23.3636	23.36	136.18	418.11	258.57	-	82.34	(1.13)	8.20	(9.33)	-	60.00
16	Alivira Animal Health Australia Pty Limited	July 24, 2015	Australia	NA	AUD	50.7996	0.05	-	0.05	0.05	-	-	-	-	-	-	100.00
17	Sequent Scientific Pte Limited	February 4, 2016	Singapore	NA	USD	66.3329	-	-	-	-	-	-	-	-	-	-	100.00

1 Names of subsidiaries which are yet to commence operations:
   a) Alivira Animal Health Australia Pty Limited, Australia
   b) Sequent Scientific Pte Limited, Singapore

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

PART B - Associates and Joint Ventures

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

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

Place: Bengaluru	**Manish Gupta**	**Dr. Gautam Kumar Das**	**P R Kannan**	**Preetham Hebbar**
Date: August 12, 2016	Managing Director	Joint Managing Director	Chief Financial Officer	Company Secretary

ANNEXURE 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

i. Category-wise Shareholding

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

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

ii. Shareholding of Promoters

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

iii. Change in Promoters Shareholding

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

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

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

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

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

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

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

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

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

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

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

v. **Shareholding of Directors and Key Managerial Personnel**

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

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

* Ceased to be a Director of the Company with effect from February 11, 2016
** Appointed as a Director with effect from October 29, 2015
*** Appointed as a Director with effect from February 11, 2016

V. INDEBTEDNESS

(₹ in mn)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in mn)

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

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

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

B. Remuneration to other directors:

(₹ in mn)

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

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

(₹ in mn)

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

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

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

ANNEXURE 3

SEQUENT NOMINATION AND REMUNERATION POLICY

Introduction:

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

Definition:

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

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

'Committee' means the Nomination and Remuneration Committee

'Directors' mean Directors of the Company.

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

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

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

Scope of the Policy:

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

Nomination and Remuneration Committee:

The Board has constituted the Committee in line with requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, to oversee the functions related to appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management and Employees

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

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

Key Objectives of Committee:

The Key objectives of the committee are:

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

Duties and roles of the committee:

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

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

Appointment criteria and qualifications:

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

Board Diversity:

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

Term/ Tenure:

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

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

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

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

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

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

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

The Committee may review this policy as and when required.

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

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

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

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

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

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

Remuneration to Non-Executive Director / Independent Director:

- **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits mentioned in the Act, subject to approval from the members as applicable.
- **Sitting Fees:** The Non-Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be approved by the Board. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
- **Stock Options:** An Independent Director and Promoter Director shall not be entitled to any stock option of the Company.

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

Remuneration to other employees of the Company

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

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

Employee Stock Option Scheme:

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

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

Amendments and Updations:

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

ANNEXURE 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended On 31st March, 2016

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

To,
The Members,
Sequent Scientific Limited

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

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

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during Audit Period)

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during Audit Period) and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during Audit Period)

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

i.) Drugs & Cosmetics Act, 1940

ii.) Drugs (Prices Control) Order 1995

iii.) The Narcotic Drugs and Psychotropic Substances Rules, 1985

iv.) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 & Drugs and Magic Remedies (Objectionable Advertisement) Rules, 1955

v.) Copyrights Act, 1957

vi.) Trademarks Act, 1999 and Trademarks Rules, 2002

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

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

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

We further report that:

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

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

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

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

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

a. Redemption / buy-back of securities

b. Merger / amalgamation / reconstruction, etc.

c. Foreign technical collaborations

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

Place: Bengaluru
Date: August 10, 2016

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

ANNEXURE A

To,
The Members
Sequent Scientific Limited

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

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

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

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

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

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

Place: Bengaluru
Date: August 10, 2016

ANNEXURE 5

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

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2016:	As on date of this Report, the Board comprises of 7 Directors consisting of 2 Executive Directors, 3 Independent Directors and 2 Non-Executive Directors. The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000 for attending each meeting of the Board and ₹ 20,000 for attending each meeting of the Audit Committee and do not receive any other form of remuneration. The ratio of remuneration of Executive Directors to the median remuneration of the employees of the Company for the financial year March 31, 2016: Manish Gupta - 88.11 Dr Gautam Kumar Das - 58.36 The median remuneration for the period under review is approximately ₹ 142,000.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ended March 31, 2016:

	Particulars	% Increase
1	Manish Gupta Managing Director and Chief Executive Officer	-
2	Dr Gautam Kumar Das Joint Managing Director	5%
3	Kannan P R Chief Financial Officer	-
4	Preetham Hebbar Company Secretary	9%

c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2016	(6)%
d.	The number of permanent employees on the rolls of Company as at March 31, 2016	725
h.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	On an average, employees received an annual increase of 7%.

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

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

Place: Bengaluru
Date: August 12, 2016

Dr. Gopakumar G Nair
Chairman

ANNEXURE 6

Form No. AOC - 2

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

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

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

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

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

Dr. Gopakumar G Nair
Chairman

Place: Bengaluru
Date: August 12, 2016

ANNEXURE 7

ANNUAL REPORT ON CSR ACTITIVITES

1. **Brief outline of the Company's CSR policy**

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

   Vision:

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

   Mission:

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

   Objectives:

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

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

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

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

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

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

2. **The composition of the CSR Committee**

   The CSR Committee consists of the following members:

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

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

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

5. **Details of CSR spent during the financial year:** The Company has negative average net profit for the past three financial years and the provisions pertaining to spending on the CSR activities was not applicable to the Company.

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

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

   NA

7. **Responsibility statement**

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

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

Place: Bengaluru
Date: August 12, 2016

Manish Gupta
Managing Director

ANNEXURE 8

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

A. CONSERVATION OF ENERGY

Form A

Disclosure of Particulars with respect to Conservation of Energy.

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

Form B

a. Measures taken for the year 2015 – 16

Mangalore:

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

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

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

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

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

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

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

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

Tarapur:
1. Necessary modifications were carried out in the solvent distillation reactors, to minimise the solvent loss during the solvent recovery.

2. Thermodynamic traps for the Dryers replaced with float type for effect condensate separation, which reduce the steam consumption.

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

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

Vizag:
1. Variable Frequency Drive ("VFD") provided for the Utility pumps (cooling tower, chilling & Brine water) with a PT controller, which alters the pumps RPM based on the pipe line pressure. This will reduce the electrical consumption when the product requirement is low.

2. VFD provided for the boiler ID fan with PT Controller, which alters the exhaust fan RPM based on the static pressure of boiler flue gas. This will reduce the electrical consumption when the boiler is running with less load.

3. Temperature controller installed in the centralised Air conditioning system installed at Administration Building to lock the minimum temperature at 23 Deg. C and pre-start and stop programming. This will reduce the electrical consumption.

4. VFD provided for the vacuum pump with a PT controller, which alters the Vacuum pump RPM based on the vacuum levels in the system. This will reduce the electrical consumption.

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

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

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

Mangalore
1. Continue replacing CFL bulbs with LEDs in balance departments.

2. Introduction of solar power system for street lights, reduce the power consumption.

3. Oxygen, which is by product of Nitrogen plant shall be used for aeration in ETP tanks.

Mysore:
1. Planning for the revamping of Effluent Treatment Plant (ETP) including Multiple Effect Evaporator (MEE) and Agitated Thin Film Drier (ATFD) to make Zero discharge unit.

2. Plant lights shall be replaced with LEDs, will reduce the power consumption compared to the conventional.

Mahad:
1. Availing the solar power to reduce consumption from state grid which is generated from coal/ gas.

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

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

4. Installation of VFD on higher capacity electrical items, which will reduce the electrical consumption.

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

Tarapur:
1. Production block, final product processing area converting the Air-conditioning system from DX air cooled type to Chilled water coil. This will reduce the electrical consumption.

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

Vizag:
1. Availing the solar power to reduce consumption from state grid which is generated from coal/ gas.

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

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

B. TECHNOLOGY ABSORPTION

Research & Development (R&D):

a. Core areas of R&D:
   1. Development and scale-up of Human and Veterinary generic APIs for regulated markets.

   2. Development of non-infringing, cost effective, commercially viable technologies for APIs and intermediates through innovative synthetic routes.

   3. Product life cycle management by process improvements of existing commercial APIs.

   4. Identification of impurities, developing analytical methods, impurity profiling & ensuring quality of products.

b. Benefits derived as a result of R&D:
   1. In-house speedy development of niche products, their commercialisation & introduction into market.

   2. Tapping potential markets through new Drug Master Filings.

   3. Enhancing profits by continuous process improvements.

   4. Effluent reduction by developing green technologies.

Future plan of action:
1. To focus on the development of niche Human and Veterinary APIs and build strong pipe line.

2. Continued focus on improving quality, cost and operation through process modification as per regulatory norms.

3. Integration of API development with in-house formulation development.

Expenditure on R&D:

(₹ in mn)

	2015-16	2014-15
Capital	-	-
Recurring	86.05	96.88
TOTAL	**86.05**	**96.88**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in mn)

	2015-16	2014-15
Earnings	1,711.12	1,403.42
Outgo	766.2	790.10

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

Place: Bengaluru
Date: August 12, 2016

Dr. Gop akumar G Nair
Chairman

ANNEXURE 9

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

A. DETAILS RELATED TO EMPLOYEE STOCK OPTION SCHEME

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

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

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

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

Option movement during the year 2015-16

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

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

*Prior to sub-division of equity shares

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

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

(₹ in mn)

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

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

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

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

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

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

Details related to Trust

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

Brief details of transactions in shares by the Trust

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

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

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

Dr. Gopakumar G Nair
Chairman

Place: Bengaluru
Date: August 12, 2016

EQUITY HISTORY
as on March 31, 2016:

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

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

All decisions are taken in the interest of the shareholders. The Board and the management are aware and conscious of minority shareholder's interest and everything is done to enhance shareholders' value 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. The Company believes to act in the spirit of law and not just the letter of law. We aim at providing complete transparency in our operations.

2. BOARD OF DIRECTORS:

Composition of Board

The composition of Board of Directors of the Company is an appropriate combination of Executive and Non-executive Directors with right element of independence. As on date the Board consists of seven directors with more than fifty percent of the Board being Non-executive. Three Directors in the Board are Independent Directors.

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

Board Meetings held during the year

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

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

Composition of the Board and Directorships held as at March 31, 2016:

Sl. No	Name of the Director	Category of Director	Number of other Directorships	Number of memberships in other Board committees	Chairmanships in other Board Committees
1.	Dr. Gopakumar G Nair	Independent Non-Executive Director	4	3	2
2.	Mr. Manish Gupta	Executive Director	3	-	-
3.	Dr. Gautam Kumar Das	Executive Director	3	-	-
4.	Mr. Kannan Ramanujam*	Non-Executive Director	NA	NA	NA
5.	Mr. Kausalya Santhanam	Independent Non-Executive Director	1	1	-
6.	Mr. Narendra Mairpady**	Independent Non-Executive Director	8	7	1
7.	Dr. S. Devendra Kumar***	Non-Executive Director	2	-	-
8.	Mr. K E C Rajakumar****	Non-Executive Director	5	1	-

*Mr. Kannan Ramanujam resigned from the directorship of the Company with effect from February 11, 2016.

**Mr. Narendra Mairpady was appointed as an additional director (Independent) with effect from August 1, 2015 and members had approved his appointment as a Director and Independent Director at their Annual General Meeting held on September 24, 2015.

***Dr. S Devendra Kumar was appointed as an additional director with effect from October 29, 2015.

****Mr. K E C Rajakumar was appointed as an additional director with effect from February 11, 2016.

Notes:

1. No. of other directorships include directorships in Public Limited Companies and Private Limited Companies and Alternate Directorships, if any and exclude Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

2. The disclosure excludes directorships and the committee chairmanships and memberships in the Company.

3. The disclosure includes memberships and chairmanships in the Audit Committee and the Stakeholders Relationship Committee and excludes all other memberships and chairmanships in other committees.

4. No. of committee memberships in all Public Limited Companies and chairmanships in all Listed Companies are considered for the purpose of disclosure and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 have been excluded.

5. None of the directors holds directorships in more than twenty companies including maximum limit of 10 Public Companies, memberships in more than ten Committees in all Public Limited Companies excluding the committee memberships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and chairmanships in more than five Committees across all listed companies in which he is a director.

6. None of the directors is related to any other director in the Company.

Separate Meeting of Independent Directors

In terms of provisions of the Companies Act, 2013 and the Listing Agreement as entered with the Stock Exchange/ Regulations, the Independent Directors met on May 14, 2016 in the year 2016-17 without the presence of Non-Independent Directors.

The independent directors in the meeting inter-alia:

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

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

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

Familiarisation programme for Independent Directors/ Non-Executive Directors

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

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

Attendance at Board meetings and last Annual General Meeting

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

Sl. No	Name of the Director	No. of meetings held during the year 2015-16	Attendance at the Board Meetings	Attendance at the Last AGM
1.	Dr. Gopakumar G Nair	11	9	Present
2.	Mr. Manish Gupta	11	8	Present
3.	Dr. Gautam Kumar Das	11	9	Absent
4.	Mr. Kannan Ramanujam*	11	6	Present
5.	Dr. Kausalya Santhanam	11	9	Present
6.	Mr. Narendra Mairpady**	11	4	Present
7.	Dr. S. Devendra Kumar***	11	2	NA
8.	Mr. K E C Rajakumar****	11	-	NA

*Mr. Kannan Ramanujam resigned from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

**Mr. Narendra Mairpady was appointed as an additional director (Independent) with effect from August 1, 2015 and members had approved his appointment as a Director and Independent Director at their Annual General Meeting held on September 24, 2015.

***Dr. S Devendra Kumar was appointed as an additional director with effect from October 29, 2015.

****Mr. K E C Rajakumar was appointed as an additional director with effect from February 11, 2016.

3. AUDIT COMMITTEE:

Terms of Reference

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

The Audit Committee has the following responsibilities/ powers:

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Modified opinions in the draft audit report

5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

20. To review the financials of unlisted subsidiaries, in particular the investment made by unlisted subsidiaries;

21. Reviewing the statement of deviations:
    a. Quarterly statement of deviations including report of monitoring agency, if applicable, submitted to stock exchange in terms of the Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

    b. Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of Audit Committee, Meetings held and attendance during the year.
During the year ended March 31, 2016, 4 (Four) Audit Committee Meetings were held. These meetings were held on April 24, 2015, July 30, 2015, October 29, 2015 and February 11, 2016.

As on date the Committee comprises of Non-executive Independent Directors.

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

Sl. No	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Gopakumar G Nair	Chairperson	4	4
2.	Mr. Kannan Ramanujam*	Member	4	4
3.	Dr. Kausalya Santhanam	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	2

*Mr. Kannan Ramanujam ceased to be a member of the Audit Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

** Mr. Narendra Mairpady was inducted to the Audit Committee as its member on August 1, 2015.

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

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

Composition of Nomination and Remuneration Committee

During the year ended March 31, 2016, 4 (Four) Nomination and Remuneration Committee meetings were held. These meetings were held on July 30, 2015, October 29, 2015, January 11, 2016 and February 11, 2016.

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

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

Sl. No	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Kausalya Santhanam	Chairperson	4	4
2.	Dr. Gopakumar G Nair	Member	4	4
3.	Mr. Kannan Ramanujam*	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	3

*Mr. Kannan Ramanujam ceased to be a member of the Nomination and Remuneration Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

** Mr. Narendra Mairpady was inducted to the Nomination and Remuneration Committee as its member with effect from August 1, 2015.

Remuneration Policy

The Committee recommends the compensation package to the executive directors of the Company. The remuneration will include salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Performance evaluation criteria for independent directors

Pursuant to provisions of Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement as entered with stock exchange/ Regulations, the Company has formulated a policy called as Sequent Board Performance Evaluation Policy ("the Policy"). Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the Independent Directors at regular intervals and at least on an annual basis. The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole. Based on the Policy the evaluation was conducted by the Company. The entire Board of Directors will evaluate the performance of independent directors excluding the director being evaluated on annual basis as per the policy. Based on the report of performance evaluation, the Company will determine whether to extend or continue the term of appointment of the Independent Director.

Remuneration paid to Directors

₹ in mn

Name of the Director	Salary	Benefits	Bonus	Sitting Fees	Pension	Variable Pay	Total
Mr. Manish Gupta (Managing Director)	11.09	-	-	-	-	1.42	12.51
Dr. Gautam Kumar Das (Joint Managing Director)	7.61	-	-	-	-	0.68	8.29
Dr. Gopakumar G Nair (Independent Director)	-	-	-	0.53	-	-	0.53
Mr. Kannan Ramanujam (Non-Executive Director)	-	-	-	0.38	-	-	0.38
Dr. Kausalya Santhanam (Independent Director)	-	-	-	0.53	-	-	0.53
Mr. Narendra Mairpady (Independent Director)	-	-	-	0.24	-	-	0.24
Dr. S Devendra Kumar (Non-Executive Director)	-	-	-	0.10	-	-	0.10
Mr. K E C Rajakumar (Non-Executive Director)	-	-	-	-	-	-	-

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

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

As on March 31, 2016, the Company has granted 2,000,000 stock options to Mr. Manish Gupta out of which 625,000 stock options have vested on him of which 125,000 stock options have been exercised and 250,000 stock options have been granted to Dr. Gautam Kumar Das out of which 125,000 stock options have vested on him of which 125,000 stock options have been exercised.

During the year 2015-16, the non-executive directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the meetings of Board and Audit Committee of the Company. The Company does not pay any remuneration to non-executive directors apart from sitting fee for attending the meetings of Board and Audit Committee of the Company. The Company pays ₹ 50,000/- for a meeting of Board of Directors per director and ₹ 20,000/- for a meeting of audit committee per member of the committee.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship committee has been constituted in terms of the provisions related thereto in the Companies Act, 2013 and Listing agreement as entered with the Stock Exchange/ Regulations under the chairmanship of a Non-Executive Director to specifically look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc.

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

During the year ended March 31, 2016, 4 (Four) Meetings were held. These meetings were held on April 24, 2015, July 30, 2015, October 29, 2015 and February 11, 2016.

Sl. No	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Mr. Kannan Ramanujam*	Member	4	4
2.	Dr. Kausalya Santhanam	Chairperson	4	4
3.	Dr. Gopakumar G Nair	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	2

*Mr. Kannan Ramanujam ceased to be a Chairperson and member of the Stakeholders Relationship Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

**Dr. Kausalya Santhanam was nominated as the Chairperson of the Stakeholders Relationship Committee with effect from February 11, 2016.

***Mr. Narendra Mairpady was inducted to the Stakeholders Relationship Committee as its member on August 1, 2015.

Mr. Preetham Hebbar, the Company Secretary of the Company acts as the Compliance Officer of the Company.

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

Shareholders Complaint details

Type of Complaint	No. of shareholders' complaints received during the year	No. of Complaints not solved to the satisfaction of shareholders	No. of pending complaints
Non receipt of Dividend Warrants	-	-	-
Non receipt of Share Certificate	-	-	-
Non receipt of Annual Reports	1	-	-
Others	-	-	-
Total	**1**	**-**	**-**

All the complaints were solved to the satisfaction of the Shareholders.

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

6. GENERAL BODY MEETINGS:

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

Financial Year	Date and Time	Venue	Special Resolutions passed
2012-13	September 27, 2013 11.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	Re-appointment, re-designation and revision in remuneration of Dr. Gautam Kumar Das
2013-14	September 29, 2014 11.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	■ Revision in remuneration of Dr. Gautam Kumar Das, Joint Managing Director ■ Borrowing Limits of the Company ■ Creation of Charge/ Security over the assets of the Company
2014-15	September 24, 2015 10.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	■ To approve the related party transactions of the Company. ■ To approve the amendment to SSL ESOP Scheme-2010

Details of Extraordinary General Meetings of the Company held during the year ended March 31, 2016:

Date and Time	Venue	Special Resolutions passed
July 30, 2015 3.00 p.m.	Hotel "The HHI Select", 686, 15th Cross, Ring Road, 2nd Phase, J P Nagar, Bengaluru- 560 078	Approval for the issue of 3,585,413 equity shares on a preferential basis to promoter group entity and non-promoter group entity

Details of resolutions passed through Postal Ballot:

During the year ended March 31, 2016, the Company sought the approval of its members, through the postal ballot as mentioned below:

Date of Postal Ballot notice: October 29, 2015

Details of Voting Pattern:

Sl. No	Item	No. of Valid Votes Polled	Votes Cast	
			For	Against
1.	Ordinary Resolution to approve sub-division of equity shares of the Company	27,132,473	27,132,426 (representing 99.9998% of the total valid votes polled)	47 (representing 0.0002% of the total valid votes polled)
2.	Special Resolution to approve alteration of Capital Clause in the Memorandum of Association and Articles of Association of the Company.	27,132,395	27,131,880 (representing 99.998% of the total valid votes polled)	515 (representing 0.002% of the total valid votes polled)

Mr. Binoy Chacko, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot exercise.

The resolutions were passed on January 28, 2016.

The Company followed the procedure as provided in Section 110 of the Companies Act, 2013 and Rule 22 of Companies (Management and Administration) Rules, 2014.

As on date no resolution is proposed to be conducted through postal ballot.

7. DISCLOSURES:

i. The Company has not entered into any transaction of a material nature with the promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note 28.2 to the financial statements in the Annual Report.

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

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

iii. The Company is in compliance with all mandatory requirements of clause 49 of the listing agreement as entered with the Stock Exchange (till November 30, 2015) and Regulations (with effect from December 1, 2015) including Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Regulations.

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

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

vi. The Company had appointed M/s. Grant Thornton India LLP, Chartered Accountants as internal auditors of the Company for the financial year 2015-16. The reports of internal auditors are regularly being placed before the Audit Committee on a quarterly basis and the risk assessment and mitigation recommendations forms part of their presentation to the Audit Committee.

vii. Board of Directors at its meeting held on May 28, 2014 has approved the implementation of Whistle Blower Policy namely "Sequent Whistle Blower Policy" throughout the Company in order to curb the unethical or improper behavior/ practices or alleged wrongful conduct or violation of Code of Conduct of the Company or applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company funds or assets within the Company or by the Company. This policy helps in providing a mechanism for personnel to report to the Authority concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. No person has been denied access to the Audit Committee under the policy.

viii. During the year ended March 31, 2016, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

ix. The Company appointed Dr. Gopakumar G Nair and Dr. Kausalya Santhanam as Independent Directors of the Company on the Board of Alvira Animal Health Limited, India, a material unlisted subsidiary as Independent Directors.

x. The Board reviewed the members of the Board Meeting of Unlisted Subsidiaries and the Statement of all significant transactions and arrangements entered into by unlisted subsidiaries.

8. APPOINTMENT/ RE- APPOINTMENT OF DIRECTOR

Mr. Manish Gupta

Mr. Manish Gupta, Managing Director of the Company retires by rotation at this ensuing AGM and being eligible has offered himself for re-appointment at the AGM.

Mr. Manish Gupta who joined the Company as Chief Executive Officer on January 1, 2014 and joined the Board as Managing Director on November 12, 2014. Mr. Manish has over 22 years of experience in leading and managing business and performance enhancement across the USA, Europe and India. Prior to joining the Company, Manish was the CEO – Pharma of Strides Shasun Limited (formerly known as Strides Arcolab Limited), where he spearheaded the Pharma Operations. He also played a vital role in the sale of Australasian generics (Ascent) business and injectable (Agila) business of Strides.

As on March 31, 2016, Mr. Manish Gupta holds 130,000 shares of the Company and 1,875,000 outstanding stock options.

Mr. Manish Gupta does not hold directorships and committee memberships in other listed entities.

Mr. Manish Gupta is not related any other director of the Company.

Dr. S Devendra Kumar and Mr. KEC Rajakumar
The Board has appointed Dr. S Devendra Kumar and Mr. KEC Rajakumar as additional directors with effect from October 29, 2015 and February 11, 2016 respectively.

As per Section 161 of the Companies Act, 2013 ("the Act"), an Additional Director shall hold office up to the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier and his/ her appointment as a Director of the Company has to be approved by the members of the Company.

A proposal will be placed before the members of the Company at the ensuing Annual General Meeting for the appointments Dr. S Devendra Kumar and Mr. KEC Rajakumar as Directors of the Company.

Dr. S Devendra was a Whole Time Director in Shasun Pharmaceuticals Limited ("Shasun"). He is a graduate in medicine and is one of the key architects in developing Shasun and was instrumental in transforming Shasun from a domestic seller to export-oriented Company. He has gained a worldwide reputation for his knowledge in Marketing, Customer Satisfaction, Global Competition and Strategic Thinking. He has been mentoring and developing the marketing skills of Shasun.

Mr. Rajakumar has been a senior official in the Indian Civil Services and has served multiple roles including Commissioner of Income Tax, Regional Director of SEBI and Executive Director of UTI Mutual Fund. He is the founder and CEO of a very successful private Equity fund. Mr. Raja Kumar brings rich, varied professional experience to the table which will considerably add value to the strategic affairs of the Company.

Dr. S Devendra Kumar does not hold directorships and committee memberships in other listed entities and is not related to any other Director of the Company.

Details of directorships/ committee memberships of Mr. Rajakumar in other listed entities:

Sl. No.	Name of Company	Committee Membership
1	Consolidated Construction Consortium Limited	Audit Committee

Mr. Rajakumar is not related to any other Director of the Company.

Details of Shareholding of Non-Executive Directors
The details of shares held by Non-Executive Directors are as under:

Name	No. of shares held as at March 31, 2016
Dr. Gopakumar G Nair	116,740
Dr. Kausalya Santhanam	Nil
Mr. Narendra Mairpady	Nil
Dr. S Devendra Kumar	Nil
Mr. K E C Rajakumar	Nil

9. MEANS OF COMMUNICATION:

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

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION:

AGM: Date, Time and Venue	Friday, September 23, 2016, 11.30 a.m. Hotel Satkar Residency Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (W) - 400 606, Maharashtra
Financial Year	April 1, 2015 to March 31, 2016
Date of Book Closure	September 19, 2016 to September 23, 2016 (both days inclusive)
Dividend payment date	NA
Listing on Stock Exchanges	The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (w.e.f. March 10, 2016) Stock Code : BSE: 512529 NSE: SEQUENT ISIN : INE807F01027 The Company has paid listing fee for the year 2016 -17 to the Stock Exchanges and there are no outstanding payments from the Company.
Registrar & Transfer Agents	M/s. Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059, Maharashtra Contact Person: Mr. Pratap Pujare Phone No.+91 22 4227 0423 Email Address: pratapp@adroitcorporate.com
Share transfer system	The shares of the Company are tradable compulsorily in demat mode. Physical share transfers are attended on a regular basis and the Company Secretary is authorised to approve such transfers.
Address for correspondence	Mr. Preetham Hebbar Company Secretary Sequent Scientific Limited Corporate Office: 'Galaxy', Plot No. 30, 1st Main Road, J P Nagar 3rd Phase, Bengaluru – 560 078, Karnataka Phone No. +91 80 4657 0338 Email: Preetham.Hebbar@sequent.in

Market Price Data (High, Low during each month in financial year 2015-16 in BSE)

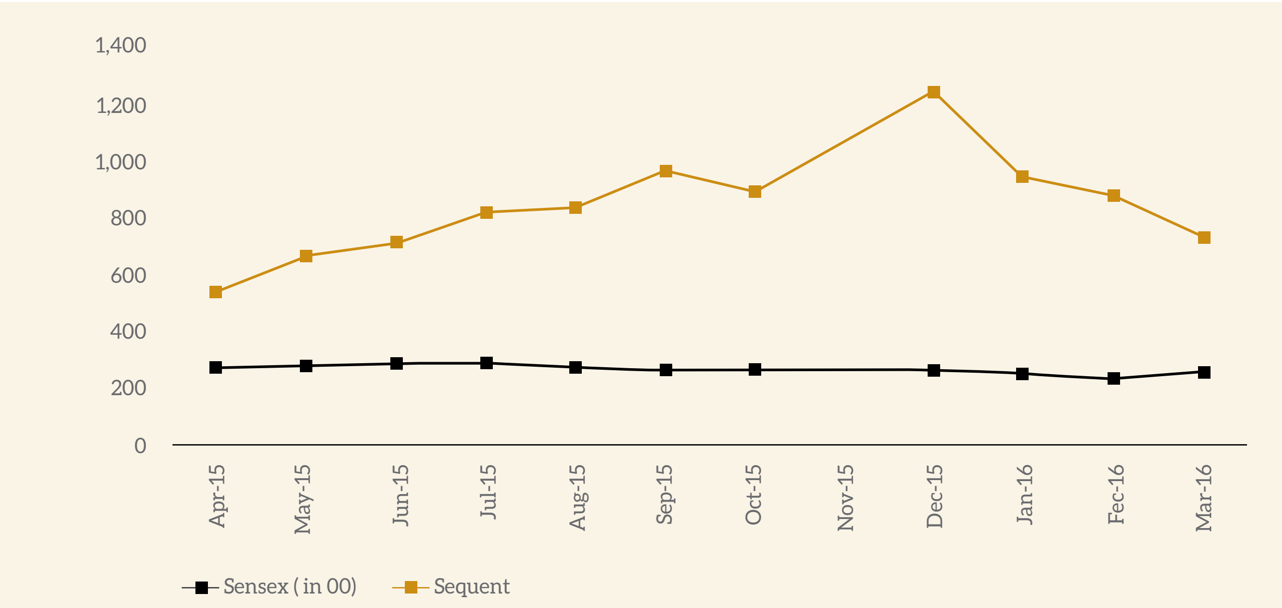
Month	High Price	Low Price
Apr-15	683.50	504.50
May-15	681.50	500.00
Jun-15	725.75	620.00
Jul-15	850.00	721.00
Aug-15	889.00	621.50
Sep-15	1,120.00	781.25
Oct-15	1,015.00	870.25
Nov-15	1,070.00	865.00
Dec-15	1,300.00	1,012.00
Jan-16	1,255.25	745.00
Feb-16	945.00	155.50*
Mar-16	184.98*	145.00*

* The equity shares of the Company was sub-divided from 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each w.e.f. February 26, 2016

Performance in comparison to SENSEX: Monthly closing price analysis

Month	High Price	Sequent
Apr-15	27,011.31	543.75
May-15	27,828.44	666.25
Jun-15	27,780.83	710.75
Jul-15	28,114.56	816.75
Aug-15	26,283.09	838.00
Sep-15	26,154.83	967.5
Oct-15	26,656.83	889.75
Nov-15	26,145.67	1,057.75
Dec-15	26,117.54	1,246.50
Jan-16	24,870.69	939.50
Feb-16	23,002.00	175.75*
Mar-16	25,341.86	146.40*

* The equity shares of the Company was sub-divided from 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each w.e.f. February 26, 2016



Distribution Schedule as at March 31, 2016:

Slab of Shareholding	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
1-500	3,287	63.73	583,309	1,166,618	0.25
501-1000	550	10.66	458,996	917,992	0.19
1001-2000	389	7.54	579,806	1,159,612	0.24
2001-3000	264	5.12	667,951	1,335,902	0.28
3001-4000	87	1.69	313,258	626,516	0.13
4001-5000	124	2.40	595,169	1,190,338	0.25
5001-10000	178	3.45	1,371,249	2,742,498	0.58
10001 & above	279	5.41	233,666,457	467,332,914	98.08
Total	**5,158**	**100.00**	**238,236,195**	**476,472,390**	**100.00**

Bifurcation of shares held in physical and demat as at March 31, 2016:

Particulars	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
Shares held in Electronic Mode	5,152	99.88	238,184,890	476,369,780	99.98
Shares held in physical mode	6	0.12	51,305	102,610	0.02
Total	**5,158**	**100.00**	**238,236,195**	**476,472,390**	**100.00**

Shareholding pattern of Equity Shares as at March 31, 2016:

Category	Number of shareholders	Number of shares held	% to total paid up capital
Promoters & Promoter Group Companies	18	134,002,830	56.25
Bodies Corporate	217	20,921,114	8.78
Banks / Mutual Funds/ Financial Institutions (FIs)	11	11,497,385	4.83
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors	22	39,289,085	16.49
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	112	5,575,564	2.34
Resident Individuals	4,744	24,001,707	10.07
Directors (Excluding promoter directors) & their relatives	3	369,240	0.15
Trusts	1	2,320,000	0.97
Others	30	259,270	0.11
Total	**5,158**	**238,236,195**	**100**

Dematerialisation of shares and liquidity:

The Company's shares are tradable compulsorily in dematerialised form. The Company has established connectivity with both the Depositories viz., M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services (India) Limited (CDSL) through M/s. Adroit Corporate Services Private Limited, Registrars and Share Transfer Agents. As on March 31, 2016, 238,184,890 shares representing 99.98% of the paid-up share capital of the Company were in dematerialised mode.

Outstanding ADRs/GDRs/warrants/ other convertible instruments:

Warrants:

As on date, the total outstanding warrants issued to promoter group are 5,500,000. The details of warrants are given below:

Financial Year	Date of Issue	Allottee Details	No. of Warrants	Issue Price including premium (in ₹)	No. of warrants converted	No. of warrants outstanding
2015-16	April 11, 2015	Pronomz Ventures LLP	5,500,000	95	-	5,500,000

The Company had issued 1,100,000 convertible warrants which can be converted into equivalent number of equity shares of the Company having face value of ₹ 10 each. Pursuant to sub-division of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each on February 26, 2016, the outstanding warrants have been adjusted proportionately.

ESOPs:

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

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

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

Details with respect to employee stock options under the ESOP 2010 as at March 31, 2016 are provided in the table below:

Sl. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1.	Total number of options outstanding at the beginning of the year	3.862.500
2.	Total number of options granted under ESOP 2010 during the Year	500,000
3.	Options vested during the year	1,062,500
4.	Options exercised during the year	592,500
5.	Options lapsed or forfeited during the year	225,000
6.	Total number of options outstanding at the end of the year	3,545,000
7.	Total number of options available for grant	4,775,000

As at March 31, 2016 the Company has no outstanding ADRs and GDRs.

Plant Locations

1.	Plot Nos. 120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore
2.	Plot Nos. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad. Maharashtra
3.	Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore, Karnataka
4.	Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.
5.	Plot Nos. 7 & 8, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath, Maharashtra

11. CODE OF CONDUCT

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

The Code of Conduct is also posted on the website of the Company.

All Board Members and Senior Management personnel have confirmed compliance with the code for the year 2015 – 16.

A declaration to this effect signed by Mr. Manish Gupta, Managing Director is reproduced below:
"I confirm that the Company has in respect of the year ended March 31, 2016, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the Code of Conduct."

Manish Gupta
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of
SEQUENT SCIENTIFIC LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SEQUENT SCIENTIFIC LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
   - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
   - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Place: Bengaluru
Date: August 12, 2016

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of
Sequent Scientific Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of SEQUENT SCIENTIFIC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016 and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in the financial statements.

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

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bengaluru, May 14, 2016
VS/SPK/JKS/2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of SEQUENT SCIENTIFIC LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bengaluru, May 14, 2016
VS/SPK/JKS/2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the Company based on the pledge documents. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit. Hence, reporting under clause (v) of CARO 2016 is not applicable to the company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2006-07	1.25 #
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2007-08	3.99
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2011-12	21.04
Gujarat Value Added Tax	Value Added Tax	Gujarat Value Added Tax Tribunal	F.Y. 2006-07	0.07
Central Excise Act, 1944	Excise duty	Commissioner of Central Excise and Service (Appeals)	F.Y. 2011-12	0.12
Finance Act, 1944	Service Tax	Commissioner of Central Excise and Service (Appeals)	F.Y. 2008-09 to F.Y. 2010-11	1.16
Finance Act, 1944	Service Tax	Commissioner of Central Excise and Service (Appeals)	F.Y. 2012-13	4.94 *

Net of ₹ 1.00 million paid under protest
* Net of ₹ 0.36 million paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of Initial public offer/ Further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment and private placement of equity shares during the year under review. In respect of the above issue, we further report that:

(a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

(b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bengaluru, May 14, 2016
VS/SPK/JKS/2016

BALANCE SHEET

as at 31 March 2016

(₹ In Million)

		Note No.	As at 31 March 2016	As at 31 March 2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholder's funds**			
	(a) Share capital	2	476.47	304.85
	(b) Reserves and surplus	3	8,963.36	976.31
	(c) Money received against share warrants	27.1	130.63	288.08
			9,570.46	**1,569.24**
2	**Non-current liabilities**			
	(a) Long-term borrowings	4	243.28	570.44
	(b) Long-term provisions	5	88.36	89.70
			331.64	**660.14**
3	**Current liabilities**			
	(a) Short-term borrowings	6	150.41	2,702.90
	(b) Trade payables	7		
	(i) Total outstanding dues of micro enterprises and small enterprises		-	0.81
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		736.41	697.30
	(c) Other current liabilities	8	139.21	868.46
	(d) Short-term provisions	9	3.57	5.08
			1,029.60	**4,274.55**
	TOTAL		**10,931.70**	**6,503.93**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	10 A	1,741.72	1,882.37
	(ii) Intangible assets	10 B	106.70	126.44
	(iii) Capital work-in-progress		181.42	63.69
	(iv) Intangible assets under development		18.27	25.56
			2,048.11	**2,098.06**
	(b) Non-current investments	11	5,834.39	1,831.14
	(c) Deferred tax assets (net)	28.6	-	0.69
	(d) Long-term loans and advances	12	134.98	144.84
	(e) Other non-current assets	13	-	5.41
			8,017.48	**4,080.14**
2	**Current assets**			
	(a) Current investments	14	585.77	0.77
	(b) Inventories	15	561.90	668.84
	(c) Trade receivables	16	667.81	987.65
	(d) Cash and cash equivalents	17	53.25	273.75
	(e) Short-term loans and advances	18	881.53	323.25
	(f) Other current assets	19	163.96	169.53
			2,914.22	**2,423.79**
	TOTAL		**10,931.70**	**6,503.93**

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

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

V. Srikumar
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2016

(₹ In Million)

		Note No.	Year Ended 31 March 2016	Year Ended 31 March 2015
A	**CONTINUING OPERATIONS**			
1	**Revenue from operations (gross)**	20	4,108.56	4,027.36
	Less: Excise duty		140.82	185.00
	Revenue from operations (net)		**3,967.74**	**3,842.36**
2	Other income	21	115.77	35.56
3	**TOTAL REVENUE (1 + 2)**		**4,083.51**	**3,877.92**
4	**Expenses**			
	(a) Cost of materials consumed	22.a	1,551.16	1,704.71
	(b) Purchases of stock-in-trade	22.b	541.47	136.86
	(c) Changes in inventories of finished goods and work-in-progress & intermediates	22.c	117.24	90.32
	(d) Employee benefits expense	23	381.95	398.46
	(e) Finance costs	24	164.42	433.70
	(f) Depreciation and amortization expense	10 C	242.89	249.44
	(g) Other expenses	25	1,007.47	971.78
	TOTAL EXPENSES		**4,006.60**	**3,985.27**
5	**Profit/(Loss) before exceptional items and tax (3-4)**		**76.91**	**(107.35)**
6	**Exceptional items Profit/(Loss)**	26	(5.40)	(238.94)
7	**Profit/(Loss) before tax (5 - 6)**		**71.51**	**(346.29)**
8	**Tax expense:**			
	(a) Current tax expense of earlier years		-	16.98
	(b) Deferred tax charge / (credit)		0.69	-
			0.69	**16.98**
9	**Profit/(Loss) from continuing operations (7 - 8)**		**70.82**	**(363.27)**
B	**DISCONTINUING OPERATIONS**	28.9		
10	**Profit / (Loss) from discontinuing operations (before tax)**		-	7.41
11	**Less: Tax expense of discontinuing operations**		-	-
12	Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations		-	768.93
13	Less: Tax expense relating to gain		-	-
14	**Profit / (Loss) from discontinuing operations after tax**		-	776.34
C	**TOTAL OPERATIONS**			
15	**Profit / (Loss) for the year (9 + 14)**		**70.82**	**413.07**
16	**Earnings per share (of ₹ 2 each):**	28.5		
(A)	**Basic EPS**			
	(a) Continuing operations		0.34	(2.54)
	(b) Total operations		0.34	2.89
(B)	**Diluted EPS**			
	(a) Continuing operations		0.33	(2.54)
	(b) Total operations		0.33	2.44

See accompanying notes forming part of the financial statements

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

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

V. Srikumar
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

ABOUT SEQUENT

STATUTORY REPORTS

FINANCIAL STATEMENTS

CASH FLOW STATEMENT
for the year ended 31 March 2016

(₹ In Million)

	Year ended 31 March 2016	Year ended 31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit from continuing operations	71.51	(346.29)
Profit from discontinuing operations	-	776.34
Net Profit before tax	**71.51**	**430.05**
Adjustments for:		
Depreciation and amortisation	242.89	263.75
Intangible/Fixed assets written off	-	16.36
Bad trade receivables written off	7.59	5.89
Bad loans and advances written off	1.59	6.14
Provision for doubtful trade receivables	0.56	13.10
Bad advances and receivables written off/(written back)	-	(77.03)
Unrealised forex loss/(gain) (net)	11.67	(7.13)
Provision for diminution in investment/(written back)	-	149.31
Finance cost	164.42	443.84
Dividend income	(10.60)	(4.29)
Interest income	(60.83)	(5.86)
Profit on sale of investment	(18.85)	-
(Profit)/Loss on sale of fixed assets (net)	6.14	(4.55)
Compensation under ESOP scheme	56.05	44.57
Liabilities /Provision no longer required written back	(13.26)	(15.16)
Profit on sale of business undertaking-Speciality Chemical division (Refer note 28.9)	-	(551.42)
Profit on sale of business undertaking-Vet Formulation Division(Refer note 28.9)	-	(217.51)
Provision for loss on assets held for disposal (Refer note 26(i)(a))	-	140.32
Provision for expenses related to assets held for disposal (Refer note 26(i)(a))	-	26.34
Rental Income	(10.53)	(1.30)
Operating profit before working capital changes	**448.35**	**655.42**
Changes in working capital		
(Increase)/decrease in trade receivables, loans and advances and other assets	386.33	(493.81)
(Increase)/decrease in inventories	106.94	241.62
Increase/(decrease) in trade payables, other payables and provisions	42.48	(623.75)
Increase/(decrease) margin money and unpaid dividend accounts	25.41	(16.23)
Net change in working capital	**561.16**	**(892.17)**
Cash generated from operations	**1,009.51**	**(236.75)**
Direct taxes (paid)/Refund	(9.29)	(13.14)
Net cash generated from operating activities A	**1,000.22**	**(249.89)**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(248.17)	(426.99)
Assets acquired from Arvee Syntthesis Private Limited (Refer note 30)	-	(267.89)
Proceeds from sale of fixed assets	6.29	32.81
Proceeds from sale of Specialty Chemicals Division (net of expenses) (Refer note 31)	-	1,068.46
Proceeds from sale of Veterinary Formulation Division (Refer note 31)	-	422.11
Investment in Subsidiaries/Joint ventures/Associates	(1,668.52)	(100.00)
Purchase of Current investment	(1,435.00)	(177.01)
Proceeds from sale of Current investments	868.85	177.79

(₹ In Million)

		Year ended 31 March 2016	Year ended 31 March 2015
Investment in equity instruments (including warrants) of other entities		(585.75)	(580.25)
Loan given to affiliates and others (net)		(614.97)	76.26
Interest received		62.08	6.39
Dividend received		10.60	3.50
Rental Income		10.53	1.30
Net cash generated from investing activities	**B**	**(3,594.06)**	**236.48**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(repayment) from short term borrowings (net)		(2,552.49)	292.10
Proceeds from long term borrowings		45.01	411.71
Repayment of long term borrowings		(334.76)	(787.77)
Proceeds from issue of shares		5,400.11	332.82
Proceeds from issue of warrants		130.63	288.08
Share issue expenses		(48.67)	-
Interest and other borrowing cost paid - (including borrowing cost capitalised ₹ 1.66 Mio, (Previous year ₹ 11.89)) (Refer note 28.3)		(166.08)	(457.35)
Net cash generated from financing activities	**C**	**2,473.75**	**79.59**
Net increase/(decrease) in cash and cash equivalents during the year	**(A+B+C)**	**(120.09)**	**66.18**
Cash and cash equivalents at the beginning of the year		130.97	64.79
Cash and cash equivalents at the end of the year		10.88	130.97
Reconciliation of cash and cash equivalents with the Balance sheet			
Reconciliation of cash and cash equivalents as per Balance Sheet (Refer Note 17)		53.25	273.75
Less: Balances not considered as cash and cash equivalents as defined in AS 3 "Cash Flow Statements"			
- Margin money deposits		42.27	67.67
- Balance in unpaid dividend accounts		0.10	0.11
- Balance held in earmarked accounts(Refer Note 17(i))		-	75.00
Net Cash and cash equivalents at the end of the year		**10.88**	**130.97**

The cash flow statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

See accompanying notes forming part of the financial statements

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

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

V. Srikumar
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

NOTES
forming part of the financial statements

Note

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of SeQuent Scientific Limited ('the Company') have been prepared, in accordance with Generally Accepted Accounting principles in India (Indian GAAP), to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") except for certain assets and liabilities which are measured on fair value basis as permitted by the Scheme of Arrangement approved by the Honorable High Court of Karnataka. The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible assets comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible assets after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Refer Note 1.5 for accounting for research and development expenses.

1.4 Depreciation/amortisation

Depreciation is provided under the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Nature of the assets	Remaining useful life in years
Buildings	10 - 28
Plant and machinery	5 - 12
Leasehold land	85 - 96
Leasehold property development	Over lease period

In the case of following intangible assets depreciation is provided/amortised under the straight line method over the useful life of assets as follows:

Product and process development : 5 Years
Acquired software : 3 Years

The estimated useful life of the intangible assets and its amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

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.

1.5 Research and development costs

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. 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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible fixed assets and intangible assets.

1.6 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

1.7 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 carried individually at cost less provision for diminution, other than temporary in the value of the investment.

1.8 Inventory

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

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

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

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

1.9 Revenue recognition

Revenue from export sales is recognized when significant risks and rewards of ownership is transferred on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the transfer of significant risks and rewards of ownership which generally coincides with dispatch. Sales include excise duty and are stated net of discounts, other taxes, and sales returns.

Income from sale of technical know-how is recognized, when the risk and right to use is transferred to the buyer as per terms of contract.

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

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

Interest income is recognised on an accrual basis.

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

1.10 Employee benefits

Short term employee benefits like Provident Fund, medical, leave travel, Employee State Insurance Scheme etc., are accrued based on the terms of employment when services are rendered by the employees and charged as an expense to the Statement of Profit and Loss.

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 carried out at the end of financial year.

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 using Projected Unit Credit Method 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.

1.11 Foreign currency transactions

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, monetary assets and monetary liabilities, are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expense are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortized over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortization is taken to ""Foreign currency translation reserve"" until disposal / recovery of the net investment. The unamortized exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable."

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

1.12 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 for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Indian Income Tax Act, 1961.

Minimum Alternative Tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

1.13 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 recognised in the Statement of Profit and Loss on straight line basis.

1.14 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 closing market price of the shares underlying the options granted on the date of grant of option and the option price is expensed under employee benefit expenses over the vesting period.

1.15 Earnings per share (EPS)

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.

1.16 Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) 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 the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

1.17 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. Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates and the estimates are recognised in the period in which the results are known/materialise.

1.18 Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system. The Company prepares consolidated financial statements and segment information is disclosed in Consolidated financial statements.

1.19 Insurance claims

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

1.20 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the

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borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.23 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
NOTE 2 SHARE CAPITAL				
(a) Authorised				
Equity shares of ₹2 each (2015: Equity shares of ₹10 each) (Refer note (i) below)	250,000,000	500.00	50,000,000	500.00
(b) Issued				
Equity shares of ₹2 each (2015: Equity shares of ₹10 each) (Refer note (i) below)	238,236,195	476.47	30,485,191	304.85
(c) Subscribed and fully paid up	238,236,195	476.47	30,485,191	304.85
Equity shares of ₹2 each (2015: Equity shares of ₹10 each) (Refer note (i) below)				
TOTAL		**476.47**		**304.85**

Notes:

(i) During the year, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity shares of ₹ 2 each with effect from February 26, 2016.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity Shares				
Shares outstanding at the beginning of the year	30,485,191	304.85	27,335,191	273.35
Add: Shares issued during the year (Refer note (a), (b) and (c) below)	17,162,048	171.62	3,150,000	31.50
	47,647,239	476.47	30,485,191	304.85
Shares outstanding at the end of the year Face value ₹ 2 per share (PY ₹ 10 per share) (Refer note (i) above)	**238,236,195**	**476.47**	**30,485,191**	**304.85**

Note:

(a) Conversion of Warrants:

Current Year:

1. Conversion of 2,000,000 warrants issued during the year 2014-15 on preferential basis at a conversion price of ₹ 222.15 per equity share of the Company as approved in the Extra Ordinary General Meeting dated May 21, 2014.
2. 3,000,000 warrants on preferential basis at a conversion price of ₹ 236 per equity share of the Company as approved in the Extra Ordinary General Meeting dated July 1, 2014.
3. 1,100,000 warrants at a conversion price of ₹ 475 per equity share of the Company as approved in the Extra Ordinary General Meeting dated March 31, 2015.

Previous Year:

Conversion of 3,150,000 warrants issued on preferential basis at a conversion price of ₹ 135.25 per equity share of the Company as approved in the Extra Ordinary General Meeting dated January 14, 2014.

(b) The Company on May 26, 2015 issued 7,476,635 equity shares of ₹ 10 each at a price of ₹ 535 per equity share to Qualified Institutional Buyers.

(c) During the year, the Company issued on a preferential basis to promoter group entities and non- promoter group entities 757,734 and 2,827,679 equity shares of ₹ 10 each respectively at a price of ₹ 669.10 per share for consideration other than cash.

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share (Previous year ₹ 10 per share (Refer note (i) above)). Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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

The amount of dividend per share recognized as distributions to equity shareholders is Nil (31 March 2015 : ₹ Nil)

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

Equity Shares (Refer note (i) above)	As at 31 March 2016		As at 31 March 2015	
Name of the shareholder	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	27,899,930	11.71%	5,579,986	18.30%
Arun Kumar Pillai	23,399,965	9.82%	5,579,993	18.30%
Pronomz Ventures LLP	17,532,560	7.36%	-	-
Agnus Capital LLP	25,125,000	10.55%	3,525,000	11.56%
Chayadeep Ventures LLP	25,125,000	10.55%	3,525,000	11.56%
TIMF Holdings	12,727,245	5.34%	-	-
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.93%	-	-
Satpal Khattar	-	-	1,191,610	3.91%

(v) 2,320,000 shares (31 March, 2015 582,500 shares of ₹ 10 each) of ₹ 2 each (Refer note (i) above) are reserved towards outstanding employee stock options granted / available for grant. (Refer Note 29)

(vi) As at 31 March 2016, 5,500,000 warrants (31 March 2015: 5,000,000 of ₹ 10 each) of ₹2 each (Refer note (i) above) are outstanding to be converted into equivalent number of shares. (Refer Note 27.1)

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

	As at 31 March 2016	As at 31 March 2015
Equity Shares (Refer note (i) above)	17,927,065	-

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(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 3 RESERVES AND SURPLUS		
(a) Capital reserve balance	10.65	10.65
(b) Securities premium account		
Opening balance	1,665.17	1,260.36
Add: Premium on shares issued during the year	7,921.44	404.81
Less: Utilised during the year for writing off share issue expenses	(48.67)	-
Closing balance	9,537.94	1,665.17
(c) Share options outstanding account		
Opening balance	51.31	17.08
Add: Amounts recorded on grants during the year	55.44	96.89
Less: Deferred stock compensation expense	(11.98)	(62.66)
Closing balance	94.77	51.31
(d) General reserve balance	144.44	144.44
(e) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(895.26)	(1,303.93)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life as on April 1, 2014 (Refer Note 27.10)	-	4.40
Add: Profit for the year	70.82	413.07
Closing balance	(824.44)	(895.26)
TOTAL	8,963.36	976.31

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 4 LONG-TERM BORROWINGS		
Term loans		
From banks		
Secured	217.57	529.83
From other parties		
Secured	25.71	37.14
Unsecured	-	3.47
TOTAL	243.28	570.44

NOTE 4 LONG-TERM BORROWINGS (CONTD.)

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

(₹ in Million)

Particulars	Security	Terms of repayment	As at 31 March 2016 Secured	As at 31 March 2015 Secured
Term loans from banks:				
Indian Overseas Bank	First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 22 quarterly Instalments, commencing from December 2014. Repaid fully on 1 July 2015.	-	216.89
RBL Bank Limited	First pari-passu charge on fixed assets of the Company (except for corporate office at Thane (West), Mumbai and property at Baikampady Mangalore for 32,462 Sq fts under Plot No. 120A & B) and Second Pari passu charge on the entire current assets of the Borrower both present and future.	Repayable in 15 quarterly Instalments, commencing from December 2014.	99.90	152.94
RBL Bank Limited	First pari-passu charge on the entire movable & immovable fixed assets of the Company both present and future (except for Company's property at Thane (West), Mumbai and property at Baikampady Mangalore for 32,462 Sq fts under Plot No. 120A & B) and second pari-passu charge on current assets of the borrower both present and future.	Repayable in 20 quarterly Instalments, commencing from June 2015.	117.67	160.00
Total - Term loans from banks			217.57	529.83

(₹ in Million)

Particulars	Security	Terms of repayment	As at 31 March 2016		As at 31 March 2015	
			Secured	Unsecured	Secured	Unsecured
Term loans from other parties:						
Housing Development Finance Corporation Limited	Mortgage of Company's property at Thane (West), Mumbai	Repayable in 28 quarterly Instalments, commencing from July 2012.	25.71	-	37.14	-
Department of Scientific and Industrial Research	Unsecured	Repayable annually over a period of five years commencing from March 2012 and March 2013.	-	-	-	3.47
Total - Term loans from other parties			25.71	-	37.14	3.47

The interest on above term loans from other parties are linked to the respective lender's base rates which are floating in nature. As of 31 March 2016 the interest rates ranges from 12.7% to 13.1% per annum.

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

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
Term loans from banks	-	216.89
Term loans from other parties	25.71	37.14

(iii) The Company has not defaulted in repayment of loans and interest.

(iv) For the current maturities of long-term borrowings, refer 8 (a) in Other current liabilities.

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 5 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
(i) Provision for gratuity (net)	48.41	48.53
(ii) Provision for compensated absences	22.77	23.99
	71.18	72.52
(b) Provision for others		
Provision for tax (net of advance tax- ₹ 28.32 Million) (as at 31 March 2015 is ₹ 28.32 Million)	17.18	17.18
	17.18	17.18
TOTAL	88.36	89.70

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 6 SHORT-TERM BORROWINGS		
(a) Loans repayable on demand		
From banks		
Secured (Refer note (i) below)	150.41	783.19
Unsecured (Refer note (ii) below)	-	999.55
(b) Loans from related parties		
Unsecured	-	920.16
TOTAL	150.41	2,702.90

Note
(i) Working capital loan from banks 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.
(ii) Short-term borrowings of ₹Nil (31 March 2015 ₹468.04 million) are guaranteed by some of the Promoters of the Company in their personal capacities.
(iii) The Company has not defaulted in repayment of loans and interest.
(iv) Unsecured short-term borrowings of ₹Nil (31 March 2015 ₹999.55 million) are secured against securities provided by entities owned by Promoters.

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 7 TRADE PAYABLES		
Trade payable		
(i) Total outstanding dues of micro enterprises and small enterprises	-	0.81
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	736.41	697.30
TOTAL	736.41	698.11

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 8 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt (Refer note (i) below)	98.89	134.87
(b) Other payables		
(i) Statutory remittances	17.91	18.67
(ii) Payables on purchase of fixed assets	16.46	53.50
(iii) Advances from customers	5.85	11.31
(iv) Unclaimed dividends	0.10	0.11
(v) Other current liabilities	-	650.00
TOTAL	139.21	868.46
Note:		
(i) Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 4 - Long-term borrowings for details of security and guarantee):		
Particulars		
Term loans		
From banks		
Secured		
Indian Overseas Bank	-	29.07
The Ratnakar Bank Limited	86.66	93.04
	86.66	122.11
From other parties		
Secured		
Housing Development Finance Corporation Limited	11.43	11.43
Unsecured		
Department of Scientific and Industrial Research	0.80	1.33
	12.23	12.76
TOTAL	98.89	134.87

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 9 SHORT-TERM PROVISIONS		
Provision for employee benefits	-	-
Provision for compensated absences	3.57	5.08
TOTAL	3.57	5.08

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NOTE 10 A TANGIBLE ASSETS

₹ in Million

Particulars	Gross block									Accumulated depreciation							Net block	
	Balance as on 01 April 2015	Additions	Assets acquired (Refer Note 30)	Effect of foreign currency exchange differences	Borrowing cost capitalised (Refer note 28.3)	Reclassified as held for sale (Refer Note 26 and Note 27.5)	Deletions	Disposed under slump sale (Refer Note 28.9 and 31)	Balance as on 31 March 2016	Balance as on 01 April 2015	Depreciation / amortisation expense for the year	Amount charged against retained earnings	Reclassified as held for sale (Refer Note 26 and Note 27.5)	Deletions	Disposed under slump sale (Refer Note 28.9 and 31)	Balance as on 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Own assets																		
Freehold land	384.34	-	-	-	-	-	-	-	384.34	-	-	-	-	-	-	-	384.34	384.34
Leasehold land	97.61	-	-	-	-	-	-	-	97.61	6.99	1.09	-	-	-	-	8.08	89.53	90.62
Land development	0.78	-	-	-	-	-	-	-	0.78	0.02	-	-	-	-	-	0.02	0.76	0.76
Lease hold property-development	1.16	-	-	-	-	-	-	-	1.16	1.12	0.03	-	-	-	-	1.15	0.01	0.04
Building	629.13	12.28	-	0.27	0.13	-	-	-	641.81	107.77	24.24	-	-	-	-	132.01	509.80	521.36
Furniture and fixtures	13.77	1.53	-	0.02	-	-	0.11	-	15.21	4.41	1.96	-	-	0.02	-	6.35	8.86	9.36
Office equipments	9.06	0.77	-	0.01	-	-	0.01	-	9.83	4.71	1.50	-	-	-	-	6.21	3.62	4.35
Computers	15.27	1.95	-	0.01	-	-	-	-	17.23	11.84	1.88	-	-	-	-	13.72	3.51	3.43
Plant and machinery	1,477.25	40.59	-	1.29	0.59	-	20.42	-	1,499.30	611.93	156.93	-	-	8.19	-	760.67	738.63	865.32
Vehicles	12.39	0.68	-	0.01	-	-	0.50	-	12.58	9.60	0.71	-	-	0.40	-	9.92	2.66	2.79
Total	**2,640.76**	**57.80**	**-**	**1.61**	**0.72**	**-**	**21.04**	**-**	**2,679.85**	**758.39**	**188.34**	**-**	**-**	**8.61**	**-**	**938.13**	**1,741.72**	**1,882.37**
Previous year	**3,059.20**	**427.06**	**267.89**	**5.72**	**11.89**	**487.15**	**63.02**	**580.83**	**2,640.76**	**972.59**	**206.54**	**4.40**	**196.83**	**18.40**	**209.91**	**758.39**	**1,882.37**	**2,086.61**

NOTE 10 B INTANGIBLE ASSETS

₹ in Million

Particulars	Gross block									Accumulated depreciation							Net block	
	Balance as on 01 April 2015	Additions	Assets acquired (Refer Note 30)	Effect of foreign currency exchange differences	Borrowing cost capitalised (Refer note 28.3)	Reclassified as held for sale (Refer Note 26 and Note 27.5)	Deletions	Disposed under slump sale (Refer Note 28.9 and 31)	Balance as on 31 March 2016	Balance as on 01 April 2015	Depreciation / amortisation expense for the year	Amount charged against retained earnings	Reclassified as held for sale (Refer Note 26 and Note 27.5)	Deletions	Disposed under slump sale (Refer Note 28.9 and 31)	Balance as on 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Internally generated																		
Product process development	355.75	35.29	-	-	-	-	-	-	391.04	231.08	55.28	-	-	-	-	286.36	104.68	124.67
Others																		
Acquired software	23.59	1.36	-	-	-	-	-	-	24.95	21.82	1.11	-	-	-	-	22.93	2.02	1.77
Total	**379.34**	**36.65**	**-**	**-**	**-**	**-**	**-**	**-**	**415.99**	**252.90**	**56.39**	**-**	**-**	**-**	**-**	**309.29**	**106.70**	**126.44**
Previous year	**324.10**	**75.66**	**-**	**0.01**	**-**	**13.26**	**-**	**7.17**	**379.34**	**211.41**	**59.48**	**-**	**13.26**	**-**	**4.73**	**252.90**	**126.44**	**112.69**

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(₹ in Million)

	Year ended 31 March 2016	Year ended 31 March 2015
NOTE 10 C DEPRECIATION AND AMORTISATION		
Depreciation and amortisation for the year on tangible assets as per Note 10 A	188.34	206.54
Amortisation for the year on intangible assets as per Note 10 B	56.39	59.48
Less: Depreciation and amortisation relating to discontinuing operations (Refer Note 28.9)	-	14.31
Less: Depreciation capitalised for intangible assets developed (Refer Note 28.8)	1.84	2.27
Depreciation and amortisation relating to continuing operations	**242.89**	**249.44**

(₹ in Million)

	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
NOTE 10 D DETAILS OF SUMS ADDED TO ASSETS ON REVALUATION DURING THE PRECEDING 5 YEARS:					
Opening balance					
Leasehold land	213.17	292.03	295.84	299.65	303.46
Buildings	56.89	110.96	115.92	120.88	125.84
	270.06	402.99	411.76	420.53	429.30
Added on revaluation					
Leasehold land	-	-	-	-	-
Buildings	-	-	-	-	-
	-	-	-	-	-
Date					
Amount					
Written off on disposal					
Leasehold land	-	76.24	-	-	-
Buildings	-	51.14	-	-	-
	-	127.38	-	-	-
Date		31 July 2014			
Amount		79.94			
Date		30 November 2014			
Amount		47.44			
Balance as at 31 March (Net Block)					
Leasehold land	210.55	213.17	292.03	295.84	299.65
Buildings	53.96	56.89	110.96	115.92	120.88
	264.51	270.06	402.99	411.76	420.53

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 11 NON-CURRENT INVESTMENTS		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
A Investment in equity instruments of subsidiaries		
i) SeQuent Global Holdings Limited	9.08	9.08
185,108 (31 March 2015: 185,108) Equity Shares of USD 1 each fully paid-up		
Less: Provision for other than temporary diminution in value	9.08	9.08
	-	-

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 11 NON-CURRENT INVESTMENTS (CONTD.)		
ii) SeQuent Research Limited	142.09	142.09
4,410,000 (31 March 2015: 4,410,000) Equity Shares of ₹ 10 each fully paid-up		
iii) Galenica B.V.	4.92	4.92
47,935 (31 March 2015: 47,935) Equity Shares of Euro 1 each fully paid-up		
Less: Provision for other than temporary diminution in value	4.92	4.92
	-	-
iv) SeQuent Antibiotics Private Limited	0.10	0.10
10,000 (31 March 2015: 10,000) Equity Shares of ₹ 10 each fully paid-up		
v) SeQuent Oncolytics Private Limited	0.10	0.10
9,999 (31 March 2015: 9,999) Equity Shares of ₹ 10 each fully paid-up		
vi) Elysian Life Sciences Private Limited	0.10	0.10
10,000 (31 March 2015: 10,000) Equity Shares of ₹ 10 each fully paid-up		
Less: Provision for other than temporary diminution in value	0.10	0.10
	-	-
vii) Elysian Life Sciences Mauritius Limited	63.97	63.97
1,016,000 (31 March 2015: 1,016,000) Equity Shares of USD 1 each fully paid-up		
Less: Provision for other than temporary diminution in value	63.97	63.97
	-	-
viii) SeQuent Penems Private Limited (Refer Note (a) below)	201.40	201.40
4,038,326 (31 March 2015: 4,038,326) shares of ₹ 10 each fully paid-up		
Less: Provision for other than temporary diminution in value	43.43	43.43
	157.97	157.97
ix) Alivira Animal Health Ltd	4,299.50	950.50
41,406,274 (31 March 2015: 27,450,000) shares of ₹ 10 each fully paid-up		
x) Indo Phyto Chemicals Pvt Ltd	68.50	-
260,400 of ₹ 10 each (31 March 2015: NIL)		
	4,668.26	1,250.76
B Investment in quoted equity instruments of other entities		
i) Strides Shasun Limited (Refer note (b) below)	1,166.00	385.00
3,312,500 (31 March 2015: 3,500,000 of ₹ 2 each) shares of ₹10 per share fully paid-up		
ii) Shasun Pharmaceuticals Limited (Refer note (c) below)	-	195.25
	1,166.00	580.25
C Other investments		
i) Panoli Enviro Tech Ltd.	-	-
Nil (31 March 2015: 23,700) Equity Shares of ₹ 10 each fully paid-up		
ii) Ambarnath Chemical Manufacturers	0.01	0.01
1,000 (31 March 2015: 1,000) Equity Shares of ₹ 10 each fully paid-up		
iii) Tarapur Industrial Manufacturers	0.04	0.04
2,000 (31 March 2015: 2,000) Equity Shares of ₹ 10 each fully paid-up		
	0.05	0.05
D Other Non current Investments		
Investment in government securities		
i) National Saving Certificate	0.02	0.02
ii) NSC VIII Issue - Tarapur	0.06	0.06
	0.08	0.08
TOTAL (A + B + C+D)	5,834.39	1,831.14

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(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 11 NON-CURRENT INVESTMENTS (CONTD.)		
Aggregate amount of unquoted investments	4,789.89	1,567.64
Aggregate amount of quoted investments	1,166.00	385.00
Aggregate market value of listed and quoted investments	3,605.66	1,303.40
Aggregate provision for diminution in value of investments	121.50	121.50

Note:

(a) During the previous year, pursuant to Order of Honourable High Court of Karnataka, the Share Capital of SeQuent Penems Private Limited reduced from 8,076,653 to 4,038,327 shares of ₹10 each. Consequently, proportionate investment value in SeQuent Penems Private Limited is reduced from ₹ 402.83 Millions to ₹ 201.40 Millions and amount written off is included under exceptional items (Refer note 26)

(b) During the year, the Company converted 7,100,000 warrants to equal number of equity shares of ₹ 2 each. With this conversion, the Company had 10,600,000 equity shares of Shasun Pharmaceuticals Limited. Subsequently, pursuant to Scheme of Amalgamation between Strides Arcolab Limited and Shasun Pharmaceuticals Limited, the Company has received 3,312,500 equity shares of ₹ 10 each in the amalgamated entity (Strides Shasun Limited) in lieu of 10,600,000 shares of Shasun Pharmaceuticals Limited.

(c) Trade investment in equity instruments of other entities includes Nil (31 March 2015: ₹195.25 Million) investment made in Shasun Pharmaceuticals Limited towards 25% of amount paid for subscription of 7,100,000 of warrants at a price of ₹ 110 per warrant. Each warrant is convertible into one equity share of face value of ₹ 2 each on payment of balance subscription amount of ₹585.75 Million on or before 28 November 2015. The Company has converted the warrants to equivalent number of equity shares during the year. (Also refer note (b) above).

(₹ In Million)

		As at 31 March 16	As at 31 March 15
NOTE 12 LONG-TERM LOANS AND ADVANCES			
(Unsecured, considered good)			
(a)	Capital advances	11.84	2.80
(b)	Security deposits	29.28	40.82
(c)	Security deposits to related parties (Refer note 28.2)	2.27	2.27
(d)	Advance income tax (net of provisions ₹111.70 million (As at 31 March, 2015 ₹ 111.70 million)	41.99	31.30
(e)	MAT credit entitlement		
	Opening balance	45.75	72.96
	Less: Reversal of MAT credit of prior years	-	27.21
	Closing balance	45.75	45.75
(f)	Prepaid expenses	3.85	21.90
	TOTAL	**134.98**	**144.84**

(₹ In Million)

	As at 31 March 16	As at 31 March 15
NOTE 13 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Margin money deposits	-	5.41
TOTAL	-	**5.41**

(₹ In Million)

		As at 31 Mar 2016	As on 31 March 2015
NOTE 14 CURRENT INVESTMENTS			
Current investments (valued at lower of cost and estimated net realisable value)			
A	**Quoted equity instruments**		
i)	Agrodutch Industries Limited	0.34	0.34
	36,250 (31 March 2015: 36,250) Equity Shares of ₹ 10 each fully paid-up		
ii)	Transchem Limited	0.43	0.43
	32,500 (31 March 2015: 32,500) Equity Shares of ₹ 10 each fully paid-up		
iii)	Techindia Nirman Limited (Formerly known as Nath Seed Limited)	-	-
	18,270 (31 March 2015: 18,270) Equity Shares of ₹ 10 each fully paid-up		
iv)	Nath Bio Genes (I) Limited	-	-
	6,930 (31 March 2015: 6,930) Equity Shares of ₹ 10 each fully paid-up		
v)	Agritech (India) Limited	-	-
	6,300 (31 March 2015: 6,300) Equity Shares of ₹ 10 each fully paid-up		
B	**Current investments (valued at lower of cost and fair value)**		
	Unquoted equity instruments		
	Aditya Investment & Communication Limited	-	-
	58,800 (31 March 2015: 58,800) shares of ₹ 10 each fully paid-up		
C	**Unquoted mutual funds**		
i)	Reliance Short Term Fund - Growth Plan - Growth Option	190.00	-
	Units 7,117,557.003 (31 March 2015: Nil)		
ii)	Tata Short Term Bond Fund- Regular Plan-Growth	100.00	-
	Units 3,778,218.570 (31 March 2015: Nil)		
iii)	Birla Sun Life Savings Fund - Growth- Regular Plan	100.00	-
	Units 363,771.729 (31 March 2015: Nil)		
iv)	UTI Short Term Income Fund - Institutional Option- Growth	165.00	-
	Units 9,673,710.328 (31 March 2015: Nil)		
v)	DSP Blackrock Short Term Fund-Regular Plan-Growth	30.00	-
	Units 1,229,724.911 (31 March 2015: Nil)		
	TOTAL	**585.77**	**0.77**
	Aggregate amount of Listed and quoted investments	0.77	0.77
	Aggregate Market value of Listed and quoted investment	1.33	1.72
	Aggregate amount of unquoted investments	585.00	-
	Aggregate net asset value of investment in mutual funds	621.55	-

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(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 15 INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials and packing materials	152.94	180.98
Goods-in transit	88.50	47.02
	241.44	228.00
(b) Work-in-progress and intermediates (Refer note (i) below)	180.53	201.56
(c) Finished goods	137.54	232.77
Goods-in transit	-	0.98
	137.54	233.75
(d) Fuel	2.39	5.53
TOTAL	561.90	668.84
Note:		
(i) Details of inventory of work-in-progress and intermediates:		
Bulk drugs	180.53	201.56
TOTAL	180.53	201.56

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 16 TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	150.08	28.31
Unsecured, considered doubtful	23.34	23.90
	173.42	52.21
Less: Provision for doubtful debts	23.34	23.90
	150.08	28.31
(b) Other trade receivables		
Unsecured, considered good	517.73	959.34
	517.73	959.34
TOTAL	667.81	987.65

Note:

(i) Trade receivables include debts due from related party (Refer note 28.2)

(ii) During the previous year provision for doubtful debts of ₹ 20.71 Million has been transferred on slump sale (Refer note 31)

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 17 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	0.32	0.43
(b) Balance with banks		
In current accounts (Refer note (i) below)	10.49	205.33
In EEFC accounts	0.07	0.21
In earmarked accounts		
- Unpaid dividend accounts	0.10	0.11
- Margin money deposits (Refer note (ii) below)	42.27	67.67
TOTAL	53.25	273.75
Note:		
(i) Balance with banks in current account includes Nil (31 March 2015 ₹ 75.00 million) which has restrictions on utilisation of funds for capital projects.		
(ii) Balances in margin money deposits are held as security against borrowings, guarantees and other commitments.		
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	10.88	130.97

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 18 SHORT-TERM LOANS AND ADVANCES		
A Unsecured, considered good		
(a) Loans and advances to related parties (Refer note 28.2)	622.93	7.96
(b) Advances to suppliers	12.80	16.13
(c) Advances to employees	0.32	0.12
(d) Loans and advances to others	0.11	0.11
(e) Balances with government authorities	228.00	278.50
(f) Prepaid expenses	17.37	20.43
	881.53	323.25
B Unsecured, considered doubtful		
(a) Loans and advances to related parties (Refer note 28.2)	263.18	263.18
(b) Loans and advances to others	9.61	9.61
	272.79	272.79
Less: Provision for doubtful advances	272.79	272.79
	-	-
TOTAL	881.53	323.25

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 19 OTHER CURRENT ASSETS		
(a) Debts due from related parties (Refer note 28.2)	1.55	10.29
(b) Interest accrued on fixed deposits	1.78	3.03
(c) Fixed assets held for sale (Refer Note 27.5)	143.97	150.00
(d) Claims receivable	16.66	6.21
TOTAL	163.96	169.53

(₹ In Million)

	Year Ended 31 March 2016	Year Ended 31 March 2015
NOTE 20 REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)	3,963.24	3,462.78
(b) Other operating revenues (Refer Note (ii) below)	145.32	564.58
	4,108.56	4,027.36
Less: Excise Duty	140.82	185.00
TOTAL	3,967.74	3,842.36
(i) Sale of products comprises:		
(a) Manufactured goods		
Bulk drugs	3,005.56	3,124.85
Total - Sale of manufactured goods	3,005.56	3,124.85
(b) Traded goods		
Bulk drugs	788.81	61.01
Chemicals	28.05	91.92
Total - Sale of traded goods	816.86	152.93
Add: Excise duty	140.82	185.00
Total - Sale of products	3,963.24	3,462.78
(ii) Other operating revenues comprises:		
Sale of scrap	5.88	5.12
Sale of Import licences	23.04	39.33
Sale of Intellectual property rights	58.98	251.40
Technical service / other management fees	-	210.75
Licensing fees	21.15	15.19
Reimbursement of expenses	9.71	32.51
Duty drawback and other export incentives	4.72	10.28
Profit on sale of other materials	21.84	-
Total - Other operating revenues	145.32	564.58

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(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 21 OTHER INCOME		
(a) Interest income (Refer note (i) below)	60.83	5.51
(b) Net gain on sale of investments		
Current investments	18.85	-
(c) Profit on sale of fixed assets (net)	-	8.32
(d) Other non-operating income (Refer note (ii) below)	25.49	17.44
(e) Dividend Income	10.60	4.29
TOTAL	115.77	35.56
(i) Interest income comprises:		
Interest on:		
Bank deposits	27.70	4.86
Loans and advances to subsidiaries	32.50	0.09
Security deposits	0.63	0.56
Total - Interest income	60.83	5.51
(ii) Other non-operating income comprises:		
Insurance claim received	0.28	0.21
Liabilities / provisions no longer required written back	13.26	15.16
Rental income (Refer note 28.4 (b))	10.53	1.30
Miscellaneous Income	1.42	0.77
TOTAL	25.49	17.44

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 22.A COST OF MATERIALS CONSUMED		
Opening stock	228.00	299.37
Add: Purchases	1,564.60	1,633.34
Less: Closing stock	241.44	228.00
Cost of materials consumed	1,551.16	1,704.71
Materials consumed comprises:		
Solvents	227.91	391.35
Chemicals	1,323.25	1,313.36
TOTAL	1,551.16	1,704.71

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 22.B PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	541.47	136.86
TOTAL	541.47	136.86
Purchases of stock-in-trade comprises:		
Bulk drugs	509.13	40.16
Chemicals	32.34	96.70
Formulations	-	-
TOTAL	541.47	136.86

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 22.C CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS & INTERMEDIATES		
Opening stock		
Work-in-progress and intermediates	201.56	304.84
Finished goods	233.75	220.79
	435.31	525.63
Closing stock		
Work-in-progress and intermediates	180.53	201.56
Finished goods	137.54	233.75
	318.07	435.31
Net (increase) / decrease	117.24	90.32

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 23 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	289.39	315.84
Contributions to Provident Fund and other funds	17.78	19.26
Expense on Employee Stock Option Scheme	56.05	44.57
Staff welfare expenses	18.73	18.79
TOTAL	381.95	398.46

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 24 FINANCE COSTS		
Interest expense on borrowings	124.28	402.99
Other borrowing costs	40.14	30.71
TOTAL	164.42	433.70

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 25 OTHER EXPENSES		
Power, water and fuel	179.81	206.81
Consumables	41.44	43.07
Conversion and processing charges	207.04	163.25
Contract labour charges	57.73	100.62
Freight and forwarding	32.04	40.12
Rent including lease rentals (Refer note 28.4(a))	5.77	9.75
Rates and taxes	22.80	17.26
Communication expenses	10.71	10.97
Repairs and maintenance		
Building	23.51	14.58
Machinery	67.65	55.65
Others	50.20	41.58
Insurance	8.37	8.61
Travelling and conveyance	21.92	23.14
Advertisement and selling expenses	1.26	3.43
Commission on sales	7.03	13.51
Legal and professional fees	70.29	55.62
Payments to auditors (Refer Note (i) below)	5.59	4.53
Analytical charges	117.44	66.62
Bad trade receivables written off	7.59	5.89
Bad loans and advances written off	1.59	6.11
Provision for doubtful trade receivables	0.56	11.48
Loss on sale of assets (net)	6.14	-
Fixed assets written off	-	16.36
Net loss on foreign currency transactions and translation	23.00	11.58
Increase/(Decrease) in excise duty on inventory	(4.75)	(6.87)
Other expenses	42.74	48.11
TOTAL	1,007.47	971.78
Notes:		
(i) Payments to the auditors comprises (net of service tax input credit):		
(a) As Auditors - Statutory Audit (including fees for undertaking Limited reviews)	5.00	4.00
Fee for Certification and other services	0.28	0.30
Reimbursement of expenses	0.15	0.10
(b) Payment to Cost Auditor	0.16	0.13
	5.59	4.53

Payment to auditors excludes ₹5.98 Million paid towards certification in relation to Qualified Institutional Placement debited to Securities Premium account

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(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 26 EXCEPTIONAL ITEMS		
Diminution in investment in subsidiaries (Refer note (i) (b) below)	-	72.28
Expenses related to acquisitions of subsidiaries	5.40	-
Expected loss due to disposal of Ambernath plant (Refer note (i) (a) below)	-	166.66
TOTAL	**5.40**	**238.94**
Note:		
(i) Exceptional Items includes:		
(a) The Company had decided to shutdown the operations at its Ambernath plant during the year ended March 31, 2015. Expected loss due to assets held for disposal being lower of net book value and net realisable value of ₹140.32 Million has been recognised immediately. The loss also includes ₹26.34 Million towards other expenses incurred on closing the operations.	-	166.66
(b) Sequent had developed certain non-infringing technologies/IPs in the complex area of Penems. However, the implementation of project got delayed due to delays in environmental approval from Government of India. Further, post the change of control of our key customer for the business, the Company is uncertain of their continued interest in the project. Given the significant additional investments involved to complete the project, the Company has decided to discontinue the project and write-down the related cost and investments.		
Diminution in investment (net)	-	149.31
Bad advances and receivables written off/(written back)	-	(77.03)
TOTAL	**-**	**238.94**

NOTE 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

27.1 Money received against share warrants

Current year:

a) The Board of Directors of the Company on 11 April 2015 and 13 April 2015 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 31 March 2015 had resolved to create, offer, issue and allot up to 1,100,000 warrants to promoter group entities, convertible into 1,100,000 equity shares of ₹10/- each and 1,100,000 warrants to non-promoter, convertible into 1,100,000 equity shares of ₹10/- each respectively, on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹475/- per equity share of the Company including a premium of ₹ 465/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 261.25 Million was received from the allottees. Out of the above, 1,100,000 warrants issued to non-promoters have been converted into equivalent number of equity shares on 10 June 2015. As on 31 March 2016, 1,100,000 warrants were outstanding.

The balance application money as at 31 March 2016 amounting to ₹130.63 Million represents money received against 1,100,000 warrants (after sub-division 5,500,000 warrants) (Refer Note 2(i)).

b) The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 11 October 2016. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. The Company has sufficient authorised capital to cover the allotment of these shares.

Previous year:

a) The Board of Directors of the Company on May 28, 2014 at its Board meeting pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on May 21, 2014 had resolved to create, offer, issue and allot up to 2,000,000 warrants to promoter group entities, convertible into 2,000,000 equity shares of ₹10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹222.15/- per equity share of the Company including a premium of ₹ 212.15/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 111.08 Million was received from the allottees. As on March 31, 2015 all the warrants were outstanding.

The balance application money as at March 31, 2015 amounting to ₹111.08 Million represents money received against 2,000,000 warrants.

b) The Board of Directors of the Company further by circular resolution on July 11, 2014 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on July 1, 2014 had resolved to create, offer, issue and allot up to 3,000,000 warrants to promoter group entities, convertible into 3,000,000 equity shares of ₹10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹236/- per equity share of the Company including a premium of ₹ 226/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 177 Million was received from the allottees. As on March 31, 2015 all the warrants were outstanding.

The balance application money as at March 31, 2015 amounting to ₹177 Million represents money received against 3,000,000 warrants.

27.2 Contingent liabilities and commitments

(i) Contingent liabilities

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Claims against the Company not acknowledged as debts		
Sales tax / Value added tax *	0.07	9.87
Income tax *	21.61	78.51
Service tax *	6.10	1.48
Excise duty*	0.29	0.47
(b) Guarantees		
Guarantees to banks and financial institutions against credit facilities extended to subsidiaries (Refer note below)	1,427.45	1,532.60
(c) Other money for which the Company is contingently liable		
Bills receivables discounted with banks **	187.26	41.19

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

** Outflow, if any, would depend on party not honouring the bill on due date and the Company's further legal right.

Note

(a) The Company has given a corporate guarantee to Export and Import Bank of India towards a credit facility availed by its subsidiary (Alivira Animal Health Limited) amounting to ₹ 1,250 Million. (31 March 2015 - ₹ 1,250 Million). Outstanding balance as on 31 March 2016 is ₹ 1,237.50 Million (31 March 2015 - ₹ 1,237.50 Million).

(b) The Company has given a corporate guarantee to RBL Bank Limited towards a credit facility availed by its subsidiary (Alivira Animal Health Limited) amounting to ₹ 1,350 Million (31 March 2015 - ₹ 649.7 Million). Outstanding balance as on 31 March 2016 is ₹189.95 Million (31 March 2015 - ₹ 295.10 Million).

(ii) Commitments

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible fixed assets	54.81	41.32
(b) Unpaid amount towards subscription of 7,100,000 warrants of Shasun Pharmaceuticals Limited	-	585.75

NOTES
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27.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.68
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.13
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	0.13
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

27.4 Details on derivatives instruments and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March 2016

Currency	Amount in US$ in Million	Buy / Sell	Cross currency
USD	0.56 (-)	Buy	Rupees
USD	1.23 (2.2)	Sell	Rupees

Note: Figures in brackets relate to the previous year

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

(₹ In Million)

Foreign currency	As at 31 March 2016		As at 31 March 2015	
	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
Euro	3.93	0.05	5.90	0.09
USD	199.63	3.01	190.12	3.04
Euro	(0.28)	-	(1.13)	(0.02)
USD	(373.79)	(5.62)	(498.60)	(7.97)

27.5 Details of fixed assets held for sale (lower of net book value and net realisable value)

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
All assets including Leasehold land, Factory building, Plant and machinery, Furniture and fixtures, Office equipments and computers at Ambernath plant	143.97	150.00
TOTAL	143.97	150.00

27.6 Value of imports calculated on CIF basis

(₹ In Million)

	Year ended 31 March 2016	Year ended 31 March 2015
Raw materials	735.18	739.21
Capital goods	0.60	-

27.7 Expenditure in foreign currency

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Legal and professional charges	5.20	6.77
Travelling and conveyance	0.35	3.57
Commission on sales	3.92	19.97
Interest expense on borrowings	4.34	16.28
Research and development	16.34	1.54
Others	0.27	2.75
TOTAL	30.42	50.88

27.8 Details of consumption of imported and indigenous items

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	₹ in Million	%	₹ in Million	%
Raw material				
Imported	720.01	46.42	921.35	49.58
Indigenous	831.15	53.58	936.92	50.42
TOTAL	1,551.16	100.00	1,858.27	100.00

27.9 Earnings in foreign exchange

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Export of goods calculated on FOB basis	1,711.12	1,403.32
Interest income	-	0.10

27.10 During the last year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014, the Company had revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previous and revised useful life are as follows:

(₹ In Million)

Assets	Previous useful life in years	Revised useful life in years
Computers – End user devices like desktop, laptop	6	3
Office Equipment	20	5
Furniture and Fixtures	15	10
Vehicles	10	8

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April 2014, and has adjusted an amount of ₹4.40 Million against the Surplus/(Deficit) in Statement of Profit and Loss as on 1 April 2014 under Reserves and Surplus (Refer note 3(e)).

The depreciation expense in the Statement of Profit and Loss for the year ended 31 March 2015 is higher by ₹ 3.45 Million consequent to the change in the useful life of the assets.

27.11 The Company has issued equity shares amounting to ₹ 4,000.00 million through Qualified Institutional Placement for purposes of meeting long term funding requirements including investments, capital expenditure and general business requirements. As at 31 March, 2016, an amount of ₹ 585.00 million (31 March, 2015 ₹ Nil) is temporarily invested in short term mutual funds, pending utilization.

28.1 Employee benefit plans

28.1.a Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 17.78 Million (Year ended 31 March 2015 - ₹ 19.26 Million) for Provident Fund contributions and ₹ 1.25 Million (Year ended 31 March 2015 - ₹ 1.45 Million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

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28.1.b Defined benefit plans

The Company has a defined Gratuity benefit plan. The following table summarizes the components of net employee benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan.

(₹ In Million)

Particulars	Year ended 31 March 2016 Gratuity	Year ended 31 March 2015 Gratuity
Components of employer expense		
Current service cost	7.65	8.83
Interest cost	4.10	5.34
Expected return on plan assets	(0.54)	(0.75)
Unrecognised past service cost - non vested benefits	-	-
Recognised past service cost - non vested benefits	-	-
Actuarial losses/(gains)	(6.95)	(0.28)
Total expense recognised in the Statement of Profit and Loss	4.26	**13.14**
Actual contribution and benefit payments for year		
Actual benefit payments	(7.90)	(3.13)
Actual contributions	4.38	0.50
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	53.20	56.46
Fair value of plan assets	4.79	7.93
Funded status [Surplus / (Deficit)]	(48.41)	(48.53)
Net asset / (liability) recognised in the Balance Sheet	(48.41)	**(48.53)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	56.46	59.48
Current service cost	7.65	8.83
Interest cost	4.10	5.34
Acquisitions/Business Combination	-	(13.76)
Actuarial (gains) / losses	(7.11)	(0.30)
Past service cost	-	-
Benefits paid	(7.90)	(3.13)
Present value of DBO at the end of the year	53.20	**56.46**
Change in fair value of assets during the year		
Plan assets at beginning of the year	7.93	9.83
Expected return on plan assets	0.54	0.75
Actual company contributions	4.38	0.50
Actuarial gain / (loss)	(0.16)	(0.02)
Benefits paid	(7.90)	(3.13)
Plan assets at the end of the year	4.79	**7.93**
Actual return on plan assets	0.39	0.72

Composition of the plan assets is as follows:

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

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Actuarial assumptions		
Discount rate	7.50%	7.80%
Expected return on plan assets	8.00%	8.75%
Salary escalation	12.00%	12.00%
Attrition	8.00%	8.00%
Mortality tables	IALM (2006-08)	IALM (2006-08)

(₹ In Million)

Experience adjustments	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO	53.20	56.46	59.48	51.86	37.93
Fair value of plan assets	4.79	7.93	9.83	13.61	10.52
Funded status [Surplus / (Deficit)]	**(48.41)**	**(48.53)**	**(49.65)**	**(38.25)**	**(27.41)**
Experience (gain) / loss adjustments on plan liabilities	(8.41)	(6.25)	(0.75)	2.35	(5.15)
Experience gain / (loss) adjustments on plan assets	(0.16)	(0.02)	0.09	0.24	0.19

Notes

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
3. The Company's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the annual period beginning after Balance Sheet date is ₹ 1.00 Million (31 March 2015 - ₹ Nil)
4. Expected rate of return on plan assets is determined after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc

28.1.c

Actuarial assumptions for long-term compensated absences	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	7.50%	7.80%
Salary escalation	12.00%	12.00%
Attrition	8.00%	8.00%
Mortality tables	**IALM (2006-08)**	IALM (2006-08)

Notes

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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28.2 Related Party Disclosures:

A List of related parties:

i) Wholly-owned subsidiaries:

Alivira Animal Health Limited, India (Refer Note 2 below)
Alivira Animal Health Limited, Ireland (step-down subsidiary)
Alivira Animal Health Australia Pty Limited (step-down subsidiary) (Refer Note 3 below
SeQuent Global Holdings Limited
SeQuent European Holdings Limited (step-down subsidiary)
SeQuent Research Limited
SeQuent Antibiotics Private Limited
SeQuent Pharmaceuticals Private Limited (Formerly SeQuent Oncolytics Private Limited
Elysian Life Sciences Private Limited
Sequent Scientific Pte Limited (Refer Note 4 below)

ii) Other subsidiaries:

SeQuent Penems Private Limited
Indo Phyto Chemicals Private Limited (Refer note 5 below)

Step down subsidiaries:

Provet Veteriner Ürünleri San. ve Tic. A.S.
Fendigo SA (Refer Note 6 below)
Fendigo BV (Refer Note 6 below)
N-Vet AB (Refer Note 6 below)
Topkim Ilaç Premiks San. ve Tic. A.S (Refer Note 7 below)

iii) Key Management Personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director
Dr. Gautam Kumar Das, Joint Managing Director
Mr. P R Kannan, Chief Financial Officer

iv) Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company:

Strides Shasun Limited (Formerly known as Strides Arcolab Limited)
Atma Projects
Agnus Holdings Private Limited
Latitude Projects Private Limited
Chayadeep Properties Private Limited
Deesha Properties
Agnus Capital LLP
Chayadeep Ventures LLP
Pronomz Ventures LLP

Note:

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

2 The shareholding of Alivira Animal Health Limited as at March 31, 2016 is 100% as compared to 91.92% in the previous year.

3 Alivira Animal Health Australia Pty Limited was incorporated on 24 July 2015.

4 Sequent Scientific Pte Limited, Singapore was incorporated on 4 February 2016.

5 Sequent Scientific Limited acquired 51% shareholding in Indo Phyto Chemicals Private Limited on 27 January 2016.

6 Alivira Animal Health Limited, Ireland acquired 85% shareholding each in Fendigo SA, Belgium, Fendigo BV, Netherlands and N-Vet AB, Sweden on 1 October 2015.

7 Provet Veteriner Ürünleri San. ve Tic. A.S. acquired 100% shareholding in Topkim Ilaç Premiks San. ve Tic. A.S on 11 December 2015.

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(₹ In Million)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Key Management Personnel		Enterprises owned or Significantly influenced by individuals who have control/ significant influence over the Company	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
B. Transactions for the year								
(i) Sale of material/services								
Strides Shasun Limited							722.58	559.16
Alivira Animal Health Limited			705.66	794.40				
Provet Veterinerlik Urunleri Tic.Ltd.Sti			-	1.70				
(ii) Sale of machinery/assets								
Alivira Animal Health Limited			4.45	1.56				
SeQuent Research Limited	5.53	-						
(iii) Interest and other income								
SeQuent Global Holdings Limited	0.11	0.09						
Alivira Animal Health Limited			32.23	-				
Provet Veterinerlik Urunleri Tic.Ltd.Sti			0.26	-				
(iv) Interest paid								
Chayadeep Properties Private Limited							0.27	2.50
SeQuent Research Limited	0.62	1.62						
Alivira Animal Health Limited			16.18	124.83				
(v) Technical service / other management fees								
Alivira Animal Health Limited			-	210.75				
(vi) Licensing fees								
Alivira Animal Health Limited			21.15	15.19				
(vii) Purchase of materials								
Alivira Animal Health Limited			45.57	21.06				
Strides Shasun Limited							46.44	-
(viii) Purchase of scrips								
Alivira Animal Health Limited			8.92	-				
(ix) Purchase of machinery/assets								
SeQuent Penems Private Limited			0.68	98.88				
Strides Shasun Limited							0.05	-
(x) Sale of Intellectual Property Rights								
Alivira Animal Health Limited			58.98	251.40				
(xi) Managerial remuneration								
Dr. Gautam Kumar Das					8.29	10.62		
Mr. Manish Gupta					12.51	3.52		
(xii) Reimbursement of expenses from								
Alivira Animal Health Limited			-	2.28				
SeQuent Research Limited	9.71	30.23						
Indo Phyto Chemicals Private Limited			1.55	-				
(xiii) Reimbursement of expenses to								
Strides Shasun Limited							8.64	8.48
Alivira Animal Health Limited			18.40	-				
(xiv) Analytical charges								
SeQuent Research Limited	103.05	75.80						
(xv) Rent paid								
Strides Shasun Limited							2.00	1.82
Agnus Holdings Private Limited							0.26	-
(xvi) Rental income								
Alivira Animal Health limited			0.33	0.31				
SeQuent Research Limited	10.20	0.99						

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(₹ In Million)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Key Management Personnel		Enterprises owned or Significantly influenced by individuals who have control/ significant influence over the Company	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
(xvii) Loans/advances given by Company								
Elysian Life Sciences Private Limited	0.17	0.73						
SeQuent Antibiotics Private Limited	0.01	0.01						
SeQuent Penems Private Limited			3.50	160.03				
SeQuent Global Holdings Limited	-	0.09						
Alivira Animal Health Limited			589.59	-				
(xviii) Loan/advances repaid to the Company								
SeQuent Antibiotics Private Limited	-	0.06						
SeQuent Penems Private Limited			1.38	7.73				
Elysian Life Sciences Private Limited	6.67	-						
(xix) Loans/advances received								
Sequent Research Limited	-	6.35						
Chayadeep Properties Private Limited							-	81.50
Alivira Animal Health Limited			-	1,040.83				
(xx) Loan/advances repaid by Company								
Chayadeep Properties Private Limited							16.77	322.81
Sequent Research Limited	11.43	13.31						
Alivira Animal Health Limited			1,184.54	452.26				
(xxi) Investment during the year								
(Including pending allotment)								
Alivira Animal Health Limited			950.00	-				
(xxii) Shares issued on conversion of warrants								
Agnus Capital LLP							340.15	148.78
Chayadeep Ventures LLP							340.15	148.78
Pronomz Ventures LLP							472.00	128.49
(xxiii) Money received against share warrants								
Agnus Capital LLP							255.11	196.62
Chayadeep Ventures LLP							255.11	196.62
Pronomz Ventures LLP							484.63	214.37
(xxiv) Corporate Gurantees given								
Alivira Animal Health Limited			-	1,032.60				
(xxv) Sale of Veterinary Formulation business								
Alivira Animal Health Limited			-	422.11				
(xxvi) Amount collected by the Company on behalf of								
Alivira Animal Health Limited			23.43	71.51				
(xxvii) Amount paid by the Company on behalf of								
Alivira Animal Health Limited			-	22.70				
(xxviii) Transactions carried out by the Company on behalf of Alivira Animal Health Limited								
Sales			11.10	72.55				
Purchases / expenses			10.11	30.26				

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(₹ In Million)

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Key Management Personnel		Enterprises owned or Significantly influenced by individuals who have control/ significant influence over the Company	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
C. Balance as at Balance Sheet date								
(i) Debtors/other current assets								
Strides Shasun Limited							191.10	129.31
SeQuent Research Limited	-	10.29						
Alivira Animal Health Limited			-	311.85				
Indo Phyto Chemicals private Limited			43.23	-				
(ii) Advance receivable								
SeQuent Antibiotics Private Limited	0.50	0.48						
SeQuent Penems Private Limited			153.07	151.63				
Elysian Life Sciences Private Limited	111.80	118.30						
SeQuent Global Holdings Limited	0.85	0.74						
Alivira Animal Health Limited	578.23	-						
(iii) Provision made for advances given								
SeQuent Penems Private Limited			-	151.63				
Elysian Life Sciences Private Limited	111.56	111.56						
(iv) Deposit receivable								
Strides Shasun Limited							2.27	2.27
(v) Payable								
SeQuent Research Limited	-	10.88						
Chayadeep Properties Private Limited							-	16.53
Alivira Animal Health Limited			-	892.76				
(vi) Creditors balance								
Atma Projects							0.20	-
Alivira Animal Health Limited	113.19	-	-	24.42				
SeQuent Research Limited	3.41	-						
Strides Shasun Limited							6.98	-
Agnus Holdings Private Limited							0.02	-
(vii) Money received against share warrants								
Agnus Capital LLP							-	85.04
Chayadeep Ventures LLP							-	85.04
Pronomz Ventures LLP							130.63	118.00
D. Details of balance provided / written off during year								
(i) Advances / receivable								
SeQuent Penems Private Limited			-	151.63				
(ii) Investments								
SeQuent Penems Private Limited			-	149.29				

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NOTE 28 DISCLOSURES UNDER ACCOUNTING STANDARDS

28.3 Details of borrowing costs capitalised

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress"	1.66	11.89
	1.66	11.89

28.4 Details of leasing arrangements

a. **As Lessee**

The Company's significant leasing arrangement is mainly in respect of factory building and office premises; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is ₹ 5.77 Million (31 March 2015 - ₹ 10.63 Million).

The Company has entered in to non-cancelable lease arrangement for its office premises. The said lease arrangement have an escalation clause where in lease rental is subject to an increment of 6%. Details of lease commitments are given below:

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Not later than one year	1.36	1.96
Later than one year and not later than five years	-	1.36
Later than five years	-	-

b. **As Lessor**

The Company has entered into operating lease arrangement for lease of office building. Details of leased assets are given below:

Future minimum lease payments:

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Gross carrying amount	64.04	64.04
Accumulated depreciation	1.15	0.11
Depreciation recognised for the year	1.04	0.11

28.5 Earnings per share

28.5.a Continuing operations

(₹ In Million)

Particulars	Year ended 31 March 2016 except no. of shares	Year ended 31 March 2015 except no. of shares
Basic:		
Net profit / (loss) for the year as per Statement of Profit and Loss from continuing operations	70.82	(363.27)
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	70.82	(363.27)
Weighted average number of equity shares (Refer note below)	210,808,532	143,076,640
Par value per share (₹)	2	2
Earnings / (Loss) per share from continuing operations - Basic	0.34	(2.54)
Diluted:		
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	70.82	(363.27)
Weighted average number of equity shares - Basic (Refer note below)	210,808,532	143,076,640
Add: Effect of outstanding warrants and Employee Stock Options	3,684,003	-
Weighted average number of equity shares for diluted EPS (Refer note below)	214,492,535	143,076,640
Earnings / (Loss) per share from continuing operations - Diluted	0.33	(2.54)

28.5.b Total operations

(₹ In Million)

Particulars	Year ended 31 March 2016 except no. of shares	Year ended 31 March 2015 except no. of shares
Net profit / (loss) for the year attributable to the equity shareholders	70.82	413.07
Weighted average number of equity shares (Refer note below)	210,808,532	143,076,640
Par value per share (₹)	2	2
Earnings / (Loss) per share - Basic	0.34	2.89
Diluted:		
Net profit / (loss) for the year attributable to the equity shareholders	70.82	413.07
Weighted average number of equity shares - Basic (Refer note below)	210,808,532	143,076,640
Add: Effect of outstanding warrants and Employee Stock Options	3,684,003	5,190,000
Weighted average number of equity shares for diluted EPS (Refer note below)	214,492,535	148,266,640
Earnings / (Loss) per share - Diluted	0.33	2.44

Note:

During the year, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity shares of ₹ 2 each with effect from February 26, 2016. Accordingly, earnings per share for previous year has been recomputed.

28.6 Deferred tax (liability) / asset

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Tax effect of items constituting deferred tax liability		
Depreciation	(82.32)	(103.62)
Tax effect of items constituting deferred tax liability	**(82.32)**	**(103.62)**
Tax effect of items constituting deferred tax assets		
Disallowances under Section 43B of the Income Tax Act, 1961	27.59	28.16
Unabsorbed depreciation carried forward	46.59	67.14
Others	8.14	9.01
Tax effect of items constituting deferred tax assets	**82.32**	**104.31**
Net deferred tax (liability) / asset	**-**	**0.69**

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

28.7 Details of research and development expenditure

A. **Revenue expenditure**

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Employee benefits expense	27.37	31.29
Power, water and fuel	5.10	7.28
Legal and professional fees	1.81	-
Consumables	13.92	23.23
Travelling and conveyance	0.82	0.39
Analytical charges	36.71	32.50
Others	0.32	2.19
TOTAL	**86.05**	**96.88**

The above include costs associated with the development services undertaken for customers.

These details are as compiled by the management and relied upon by the Auditors.

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28.8 Intangible assets/Intangible assets under development:

a. During the year, the following development expenditure have been transferred to Intangible assets / intangible assets under development from the Statement of Profit and Loss:

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Employee benefits expense	6.42	11.25
Power, water and fuel	1.75	3.36
Legal and professional fees	0.42	-
Raw material and consumables	41.54	34.09
Travelling and conveyance	0.19	0.15
Analytical charges	8.57	12.81
Depreciation	1.84	2.27
Others	0.56	1.27
Sale of validation batches	(33.29)	(9.46)
TOTAL	**28.00**	**55.74**

b. Movement of Intangible assets under development:

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Opening balance	25.56	43.83
Add: Development expenses as Note 28.8(a) above	28.00	55.74
Add: Provision/(Reversal of provision) for intangible assets	-	8.83
Less: Transferred on Disposal of Speciality Chemical Division	-	9.58
Less: Transferred to gross block	35.29	73.26
TOTAL	**18.27**	**25.56**

28.9 Discontinued operations

a. During the previous year, pursuant to the approval of the Shareholders and other authorities as required, the Company had transferred the Specialty Chemicals Division to Songwon Specialty Chemicals-India Private Limited on a slump sale basis with effect from the close of business on 31 July 2014 for a consideration of ₹1,068.46 Million (net of expenses of ₹102.55 Million). The Specialty Chemicals Division was reported as part of the Specialty Chemicals segment of the Company. The net profit on above sale of ₹551.42 Million is included under Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations for the year ended March 31, 2015.

b. During the previous year, pursuant to the approval of the Shareholders and other authorities as required, the Company had transferred the Veterinary Formulation Division to Alivira Animal Health Limited, subsidiary of the Company, on a slump sale basis with effect from the close of business on 30 November 2014 for a consideration of ₹422.11 Million. The Veterinary Formulation Division was reported as part of the Pharmaceuticals segment of the Company. The net profit on above sale of ₹217.51 Million is included under Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations for the year ended March 31, 2015.

The results of the discontinued business during the year until discontinuation are as under:

(₹ In Million)

Particulars	Year ended 31 March 2016			Year ended 31 March 2015		
Profit / (Loss) from ordinary activities	Continuing Operations	Discontinued Operations	TOTAL	Continuing Operations	Discontinued Operations	Total
Sale of products	-	-	-	220.62	381.96	602.58
Other operating revenue	-	-	-	0.79	2.43	3.22
Other income	-	-	-	0.01	(3.36)	(3.35)
Total revenue (A)	-	-	-	**221.42**	**381.03**	**602.45**
Cost of materials consumed	-	-	-	63.54	90.02	153.56
Purchases of stock-in-trade	-	-	-	-	88.01	88.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	91.12	40.98	132.10
Employee benefits expense	-	-	-	12.84	43.35	56.19
Finance costs	-	-	-	13.89	26.97	40.86
Depreciation and amortisation expense	-	-	-	11.86	2.45	14.31
Other expenses	-	-	-	30.11	79.90	110.01
Total expenses (B)	-	-	-	**223.36**	**371.68**	**595.04**
Profit / (Loss) before tax from ordinary activities (A-B)	-	-	-	**(1.94)**	**9.35**	**7.41**
Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations	-	-	-	551.42	217.51	768.93
Profit / (Loss) after tax of discontinued operations	-	-	-	**549.48**	**226.86**	**776.34**
Net cash flow attributable to the discontinued operations	-	-				
Cash flows from operating activities	-	-	-	228.19	150.84	379.03
Cash flows from investing activities	-	-	-	326.22	65.72	391.94
Cash flows from financing activities	-	-	-	(555.54)	(228.24)	(783.78)

NOTE 29 DISCLOSURES ON EMPLOYEE SHARE BASED PAYMENTS

29 Employee Stock Option Scheme

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

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

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

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

NOTES
forming part of the financial statements

The vesting period of these options range over a period of 1 to 4 years. The options may be exercised within a period of 1 to 4 years from the date of vesting.

c) **Employee Stock Options details as on the Balance Sheet date are as follows:**

Particulars	Year ended 31 March 2016 Options (Numbers)	Year ended 31 March 2015 Options (Numbers)
Option outstanding at the beginning of the year	772,500	570,000
Granted during the year	100,000	380,000
Vested during the year	212,500	142,500
Exercised during the year	118,500	117,500
Forfeited during the year	45,000	60,000
Options outstanding at the end of the year (Refer Note (i) below)	709,000	772,500
Options available for grant (Refer Note (i) below)	955,000	1,010,000
Range of exercise price for options outstanding at the end of the year	₹ 10 to ₹ 87 per Option	₹ 50 to ₹ 80 per Option

Weighted average remaining contractual life for options outstanding as at 31 March 2016 is 3.21 years (As at 31 March 2015 - 3.86 years) and weighted average exercise price per option as at 31 March 2016 is ₹ 24.08 (As at 31 March 2015 - ₹65).

Note (i)
After subdivision of shares (Refer Note 2(i)) one option of ₹ 10 is equivalent to 5 options of ₹ 2 each. Accordingly, options outstanding at the end of the year is 3,545,000 and options available for grant is 4,775,000.

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

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Net Profit / (loss) (as reported)	70.82	413.07
Add / (Less): Stock Based Employee Compensation (intrinsic value)	56.05	44.57
Add / (Less): Stock Based Compensation expenses determined under fair value method for the grants issued (See note (e) below)	(131.47)	(126.86)
Net Profit / (loss) (proforma)	(4.60)	330.78
Basic earnings per share (as reported)	0.34	2.89
Basic earnings per share (proforma)	(0.02)	2.31
Diluted earnings per share (as reported)	0.33	2.44
Diluted earnings per share (proforma)	(0.02)	1.96

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

(₹ In Million)

Assumptions	31 March 2016	31 March 2015
Risk Free Interest Rate	7.45%	7.74%
Expected Life	4 years	4 years
Expected Annual Volatility of Shares	56.76%	54.18%
Expected Dividend Yield	NIL	NIL

30 During the previous year, the Company purchased the manufacturing assets and business of Arvee Syntthesis Private Limited on a slump sale basis for a total consideration of ₹262.50 million. The Company incurred ₹5.39 Million towards stamp duty and registration of land and building.

31 During the previous year, the Company disposed off the following undertakings. The details of which are given below:

(₹ In Million)

Particulars	Veterinary Formulations division	Speciality chemical division	IPC
Sale consideration (net of expenses)	422.11	1,068.46	1,490.57
Less: Cost of undertaking	204.60	517.04	721.64
Profit on sale of undertaking	**217.51**	**551.42**	**768.93**

32 **TRANSFER PRICING**
In respect of Transfer Pricing regulations under Section 92 to 92F of the Indian Income Tax Act, 1961, the Management confirms that its international transactions and specified domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

33 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Disclosure made under Note 27 to 29 reflects combined items pertaining to continuing and discontinuing operations.

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

Manish Gupta
Managing Director &
Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of
Sequent Scientific Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of SEQUENT SCIENTIFIC LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

a) We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹ 2,605.64 million as at March 31, 2016, total revenues of ₹ 1,132.66 million and net cash flows amounting to ₹ 147.47 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

INDEPENDENT AUDITOR'S REPORT

b) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 20.57 million as at March 31, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ 12.09 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidate financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bengaluru, May 14, 2016
VS/SPK/JKS/2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of SEQUENT SCIENTIFIC LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

V. Srikumar
Partner
(Membership No. 84494)

Bengaluru, May 14, 2016
VS/SPK/JKS/2016

CONSOLIDATED BALANCE SHEET

as at 31 March 2016

(₹ In Million)

		Note No.	As at 31 March 2016	As at 31 March 2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholder's funds**			
	(a) Share capital	3	476.47	304.85
	(b) Reserves and surplus	4	8,127.01	319.81
	(c) Money received against share warrants	28.1	130.63	288.08
			8,734.11	**912.74**
2	**Minority interest**		256.92	1,469.29
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	2,126.64	2,503.22
	(b) Deferred tax liabilities (net)	29.7	15.16	15.25
	(c) Long-term provisions	6	136.02	116.97
			2,277.82	**2,635.44**
4	**Current liabilities**			
	(a) Short-term borrowings	7	560.38	2,043.06
	(b) Trade payables	8		
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,439.34	909.35
	(c) Other current liabilities	9	666.85	1,074.34
	(d) Short-term provisions	10	71.72	32.73
			2,738.29	**4,059.48**
	TOTAL		**14,007.14**	**9,076.95**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	11 A	4,532.41	3,901.90
	(ii) Intangible assets	11 B	404.98	131.75
	(iii) Capital work-in-progress		217.47	367.41
	(iv) Intangible assets under development	29.9(b)	17.74	23.16
	(b) Goodwill on consolidation	28.8	2,757.10	710.65
	(c) Non-current investments	12	1,166.13	580.37
	(d) Long-term loans and advances	13	210.29	249.19
	(e) Other non-current assets	14	10.34	15.55
			9,316.46	**5,979.98**
2	**Current assets**			
	(a) Current investments	15	632.66	5.81
	(b) Inventories	16	1,350.76	943.60
	(c) Trade receivables	17	1,758.45	1,154.37
	(d) Cash and cash equivalents	18	242.50	384.57
	(e) Short-term loans and advances	19	512.01	445.86
	(f) Other current assets	20	194.30	162.76
			4,690.68	**3,096.97**
	TOTAL		**14,007.14**	**9,076.95**

See accompanying notes forming part of the consolidated financial statements

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

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

V. Srikumar
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2016

(₹ In Million)

		Note No.	Year Ended 31 March 2016	Year Ended 31 March 2015
A	**CONTINUING OPERATIONS**			
1	**Revenue from operations (gross)**	21	6,496.78	4633.64
	Less: Excise duty		152.04	201.41
	Revenue from operations (net)		6,344.74	4432.23
2	Other income	22	106.48	99.57
3	**TOTAL REVENUE (1 + 2)**		**6,451.22**	**4,531.80**
4	**Expenses**			
	(a) Cost of materials consumed	23.a	2,131.09	1990.78
	(b) Purchases of stock-in-trade	23.b	934.71	239.35
	(c) Changes in inventories of finished goods and work-in-progress & intermediates	23.c	80.59	26.70
	(d) Employee benefits expense	24	872.48	611.07
	(e) Finance costs	25	385.57	429.81
	(f) Depreciation and amortization expense	11 C	482.31	317.49
	(g) Other expenses	26	1,697.18	1383.15
	TOTAL EXPENSES		**6,583.93**	**4998.35**
5	**Loss before exceptional items and tax (3-4)**		**(132.71)**	**(466.55)**
6	Exceptional items	27	**(36.93)**	**(166.64)**
7	**Loss before tax (5 -6)**		**(169.64)**	**(633.19)**
8	**Tax expense:**			
	(a) Current tax expense		29.37	30.66
	(b) Current tax expense of earlier years		-	16.97
	(c) Deferred tax charge / (credit)		(1.16)	(13.73)
			28.21	**33.90**
9	**Loss from continuing operations after tax**		(197.85)	(667.09)
B	**DISCONTINUING OPERATIONS**			
10	Loss from discontinuing operations before tax		-	(1.94)
11	Less: Tax expense of discontinuing operations		-	-
12	Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations		-	551.42
13	Less: Tax expense relating to gain		-	-
14	Profit / (Loss) from discontinuing operations after tax		-	549.48
C	**TOTAL OPERATIONS**			
15	**Loss for the year**		(197.85)	(117.61)
16	**Share of minority interest**		23.71	(10.23)
17	**Loss for the year after minority interest (9-10)**		**(221.56)**	**(107.38)**
18	**Earnings per share (of ₹2 each):**	29.6		
	Basic and diluted			
	(a) Continuing operations		(1.05)	(4.59)
	(b) Total operations		(1.05)	(0.75)

See accompanying notes forming part of the consolidated financial statements

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

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

V. Srikumar
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2016

(₹ In Million)

		Year ended 31 March 2016	Year ended 31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss before tax			
from continuing operations		(169.64)	(633.19)
from discontinuing operations		-	549.48
TOTAL		**(169.64)**	**(83.71)**
Adjustments for:			
Depreciation, Amortisation and Impairment		482.31	329.35
Tangible/Intangible assets written off		2.51	16.36
Provision for Intangible under development		-	(8.83)
Advances written off		4.43	-
Bad trade receivables written off		13.40	55.66
Provision for doubtful trade receivables		5.11	13.95
Loss on sale of subsidiary		-	3.49
Unrealised exchange gain/(loss)		16.07	(10.62)
Profit on sale of investment		(20.42)	(11.27)
Loss/(profit) on sale of assets (net)		4.95	(4.78)
Interest expenses		385.57	396.96
Dividend income		(10.60)	(6.26)
Compensation under ESOP scheme		56.05	44.57
Interest income		(32.18)	(11.29)
Profit on sale of Undertaking		-	(551.42)
Provision for Loss on Assets held for disposal (Refer note 27)		-	140.32
Provision for expenses related to assets held for disposal (Refer note 27)		-	26.32
Sundry balances written back (net)		(25.17)	(63.34)
Operating profit before working capital changes		**712.39**	**275.46**
Changes in working capital			
(Increase)/Decrease in trade receivables, loans & advances and other assets		(248.64)	(338.77)
(Increase)/Decrease in inventories		(68.41)	25.91
Increase/(Decrease) in trade payables, other payables and provisions		(458.43)	(193.27)
Increase/(Decrease) margin money and unpaid dividend accounts		48.89	(33.72)
Net change in working capital		**(726.59)**	**(539.85)**
Cash generated from operations		**(14.20)**	**(264.39)**
Direct taxes paid/(refund), net		13.69	28.90
Net cash generated from Operating Activities	**A**	**(0.51)**	**(235.49)**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(655.38)	(909.34)
Assets acquired from Lyka (Refer note 32)		(326.57)	(267.89)
Proceeds from sale of fixed assets		23.38	45.59
Investment in equity instruments (including warrants) of other entities		(585.76)	(580.25)
Purchase of current investment		(1,785.90)	(1,151.96)
Proceeds from sale of current investments		1,179.47	1,171.03
Proceeds from sale of Specialty Chemicals Division (net of expenses) (Refer note 29.10)		-	1,068.46
Dividend received		10.60	3.50
Consideration paid for acquisition for subsidiary (Refer note 1.2(iii))		(1,050.70)	(937.35)
Interest received		32.59	11.30
Net cash used in Investing Activities	**B**	**(3,158.26)**	**(1,546.91)**

(₹ In Million)

		Year ended 31 March 2016	Year ended 31 March 2015
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		(1,697.67)	(222.94)
Proceeds from / (repayment of) of long term borrowings		(293.20)	781.81
Interest paid on borrowings (including borrowing cost capitalised ₹ 5.06 Million (Previous year ₹ 100.65 Million)) - (Refer note no. 29.4)		(404.25)	(485.68)
Proceeds from issue of shares to minority shareholders		-	25.54
Proceeds from issue of compulsorily convertible preference shares by subsidiary (Refer note 28.6)		-	1,174.46
Purchase of Minority Interest		-	(100.00)
Share Issue expenses		(48.67)	-
Proceeds from issue of equity shares		5,400.11	332.82
Proceeds from issue of warrants		130.63	288.08
Net cash generated from Financing Activities	**C**	**3,086.95**	**1,794.09**
Net Increase/(Decrease) in cash and cash equivalents during the year	**(A+B+C)**	**(71.82)**	**11.69**
Cash and cash equivalents as at 31.03.2015		**218.31**	**229.59**
Translation effect		53.64	(22.97)
Cash and cash equivalents as at 31.03.2016		**200.13**	**218.31**
Reconciliation of cash and cash equivalents with the Balance sheet			
Reconciliation of cash and cash equivalents as per Balance Sheet (Refer Note 18)		242.50	384.57
Less: Balances not considered as cash and cash equivalents as defined in AS 3 "Cash Flow Statements"			
- Margin money against working capital facilities with banks		42.27	91.15
- Balance in un-paid dividend accounts		0.10	0.11
- Balance held in earmarked accounts (Refer Note 18(i))		-	75.00
Net Cash and cash equivalents at the end of the year		**200.13**	**218.31**

Notes: The cashflow statement reflects the combined cashflows pertaining to continuing and discontinuing operations
The cash flow statement reflects the combined cash flows pertaining to continuing and discontinuing operations.
See accompanying notes forming part of the financial statements

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

V. Srikumar
Partner

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

Manish Gupta
Managing Director &
Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

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forming part of the Consolidated Financial Statements

Note

1 BASIS OF CONSOLIDATION

The Consolidated Financial Statements relate to SeQuent Scientific Limited (the Company) and its subsidiaries 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. 31 March 2016.

1.1 Principles of consolidation

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

(i) 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 expenses. The intra group balances, intra group transactions and unrealised profits or losses have been eliminated fully.

(ii) 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 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 investments of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus'. Goodwill arising on consolidation is not amortised but tested for impairment. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

(iii) 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.

1.2 Information on subsidiary companies:

(i) The following subsidiary companies are considered in the consolidated financial statements

Sl no	Name of the entity	Country of Incorporation	Ownership at 31 March 2016 held by	Status	% of effective ownership held either directly or through subsidiary as at 31 March 2016	% of effective ownership held either directly or through subsidiary as at 31 March 2015
1	SeQuent Global Holdings Limited	Mauritius	SeQuent Scientific Limited	Subsidiary	100.00%	100.00%
2	SeQuent European Holdings Limited	Cyprus	SeQuent Global Holdings Limited	Subsidiary	100.00%	100.00%
3	SeQuent Research Limited	India	SeQuent Scientific Limited	Subsidiary	100.00%	100.00%
4	Elysian Life Sciences Private Limited	India	SeQuent Scientific Limited	Subsidiary	100.00%	100.00%
5	SeQuent Anti Biotics Private Limited	India	SeQuent Scientific Limited	Subsidiary	100.00%	100.00%
6	SeQuent Pharmaceuticals Private Limited [Formerly known as SeQuent Oncolytics Private Limited]	India	SeQuent Scientific Limited	Subsidiary	99.99%	99.99%
7	SeQuent Penems Private Limited	India	SeQuent Scientific Limited	Subsidiary	89.23%	89.23%
8	Alivira Animal Health Limited	India	SeQuent Scientific Limited	Subsidiary	100% [Refer note (d) below]	91.92% [Refer note (d) below]
9	Alivira Animal Health Limited	Ireland	Alivira Animal Health Limited, India	Subsidiary	100% [Refer note - (e) below]	91.92% [Refer note - (e) below]
10	Provet Veteriner Ürünleri San. ve Tic. A.S.	Turkey	Alivira Animal Health Limited, Ireland	Subsidiary	60% [Refer note (e) and (f) below]	55.15% [Refer note - (f) below]
11	Alivira Animal Health Australia Pty Limited	Australia	Alivira Animal Health Limited, Ireland	Subsidiary	100% [Refer note - (g) below]	
12	Fendigo SA	Belgium	Alivira Animal Health Limited, Ireland	Subsidiary	85% [Refer note - (h) below]	-
13	Fendigo BV	Netherlands	Alivira Animal Health Limited, Ireland	Subsidiary	85% [Refer note - h) below]	-
14	N-Vet AB	Sweden	Alivira Animal Health Limited, Ireland	Subsidiary	85% [Refer note - (h) below]	-
15	Topkim Ilaç Premiks San. ve Tic. A.S.	Turkey	Provet Veteriner Ürünleri San. ve Tic. A.S.	Subsidiary	60% [Refer note - (i) below]	-
16	Indo Phyto Chemicals Private Limited	India	SeQuent Scientific Limited	Subsidiary	51% [Refer note - (j) below]	-
17	Sequent Scientific Pte Limited	Singapore	SeQuent Scientific Limited	Subsidiary	100% [Refer note - (k) below]	-

Note

(a) In respect of entity in Sl. No. 3, 8, 10, 12, 14, 15 and 16, the Company's cost of investment is in excess of its share of equity on the date of investment and the difference has been recognised as Goodwill. In respect of Sl. No.15, the Company's net worth is in excess of the cost of investment on the date of recognition and the difference has been recognised on Capital reserve.

(b) During previous year, Vedic Fanxipang Pharma Chemic Company Limited was disposed off.

(c) During previous year, Elysian Life Science (Mauritius) Limited was voluntarily wound up.

(d) During the year, the Company purchased 9,997,941 equity shares of Alivira Animal Health Limited, resulting in 100% shareholding. The subsidiary issued 3,958,333 equity shares to the Company and 7,583,776 equity shares to other parties on conversion of compulsory convertible preference shares. During the previous year, the Company purchased 7,400,000 equity shares of Alivira Animal Health Limited, India and the subsidiary issued 2,414,165 equity shares to other parties.

(e) Alivira Animal Health Limited, Ireland was incorporated on 1 September 2014. During the year, the effective ownership of the Company became 100% on account of Alivira Animal Health Limited, India becoming a wholly owned subsidiary.

(f) During the previous year, Alivira Animal Health Limited, Ireland acquired 60% shareholding in Provet Veteriner 'Ürünleri San. ve Tic. A.S.

(g) Alivira Animal Health Australia Pty Limited was incorporated on 24 July 2015.

(h) During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired 85% stake each in Fendigo SA, Belgium, Fendigo BV, Netherlands and N-Vet AB, Sweden.

(i) During the year, Provet Veteriner Ürünleri San. ve Tic. A.S. acquired 100% shareholding in Topkim Ilaç Premiks San. ve Tic. A.S., Turkey.

(j) During the year, the Company acquired 51% shareholding in Indo Phyto Chemicals Private Limited.

(k) Sequent Scientific Pte Limited, Singapore was incorporated on 4 February 2016.

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(ii) Disclosure on effect of disposal of subsidiaries:

During the previous year, Vedic Fanxipang Pharma Chemic Limited was disposed off. The net assets of the Company comprised of tangible fixed assets of ₹5.98 Million. Loss on disposal of investment of ₹ 3.49 Million was charged to the Statement of Profit and Loss

During the previous year Elysian Life Science(Mauritius) Limited was wound up. There were nil assets & liabilities at the time of winding up of the Company.

(iii) Disclosure on effect of acquisition of subsidiaries:

During the year, the Group through its subsidiary Alivira Animal Health Limited, Ireland acquired 85% shareholding in Fendigo SA, Belgium, Fendigo BV, Netherlands and N-Vet AB, Sweden for a consideration of ₹ 274.28 Million, ₹ 11.78 Million and ₹ 171.52 Million respectively; Provet Veteriner Ürünleri San. ve Tic. A.S. acquired 100% shareholding in Topkim Ilaç Premiks San. ve Tic. A.S, Turkey (Topkim) for consideration of ₹ 304.51 Million. The Company acquired 51% shareholding in Indo Phyto Chemicals Private Limited, India (IPC) for a consideration of ₹ 68.5 Million. The key financial data as at 31 March 2016 are as follows:

(₹ In Million)

Particulars	Fendigo SA	Fendigo BV	N-Vet AB	Topkim	IPC	Total
Date of Acquisition	01 October 2015	01 October 2015	01 October 2015	11 December 2015	27 January 2016	
Liabilities as at 31 March 2016						
Non current liabilities	-	-	-	63.96	224.96	288.92
Current liabilities	83.88	9.49	34.14	194.61	367.35	689.47
Assets as at 31 March 2016						
Non-current assets	0.01	0.15	-	143.98	314.11	458.24
Current assets	140.28	24.27	139.33	274.14	346.43	924.45
Goodwill/ (Capital reserve) on Acquisition	239.64	(0.45)	97.74	145.15	41.74	-
Revenue for the period ended 31 March 2016	247.00	45.26	111.37	82.35	197.52	683.49
Expenses for the period ended 31 March 2016	231.29	43.00	89.81	83.48	181.21	628.78
Profit/ (Loss) before tax for the period ended 31 March 2016	15.71	2.26	21.56	(1.13)	16.31	54.71
Profit/ (Loss) after tax for the period ended 31 March 2016	12.25	0.34	17.73	(9.33)	15.78	36.77

During the previous year, Alivira Animal Health Limited, Ireland acquired 60% shareholding in Provet Veteriner Ürünleri San. ve Tic. A.S., Turkey (Provet) for a total cash consideration of ₹ 937.35 Million. The key financial data as at 31 March 2015 are as follows:

(₹ In Million)

Particulars	
Date of Acquisition	03 November 2014
Liabilities as at 31 March 2015	
Non current liabilities	24.72
Current liabilities	139.84
Assets as at 31 March 2015	
Non-current assets	297.30
Current assets	416.68
Goodwill on Acquisition	616.13
Revenue for the period ended 31 March 2015	293.20
Expenses for the period ended 31 March 2015	288.42
Profit/ (Loss) before tax for the period ended 31 March 2015	17.04
Profit/ (Loss) after tax for the period ended 31 March 2015	2.46

1.3 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

1.4 The consolidated financial statements include 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 subsidiaries:

(i) Alivira Animal Health Limited, Ireland
(ii) Sequent Global Holdings Limited
(iii) Sequent European Holdings Limited
(iv) Alivira Animal Health Australia Pty Limited
(v) Sequent Scientific Pte Limited

(₹ in Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Non current liabilities	472.19	605.55
Current liabilities	189.14	58.26
Non-current assets	-	2.63
Current assets	20.57	13.47
Revenue	-	46.61
Expenditure	67.51	47.90

1.5 Exchange adjustments

On Consolidation

a. In 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 Statement of Profit and Loss.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared, in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 except for certain assets and liabilities which are measured on fair value basis as permitted by the Scheme of Arrangement approved by the Honorable High Court of Karnataka and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.

2.2 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprise its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than the subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets to the date the asset is ready for its intended use. Exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets after its purchase/ completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately.

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Capital work-in-progress:
Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.3 Intangible assets
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible assets comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible assets after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Refer Note 2.5 for accounting for research and development expenses.

2.4 Depreciation/amortisation
Depreciation is provided under the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation / amortisation is provided under the straight-line method based on the useful lives:

Nature of Asset	Useful life in years
Buildings	10 - 60
Furniture and fixtures	5 - 10
Office equipment	5
Plant and machinery	3 - 12
Computers	3 - 6
Vehicles	3 - 8
Leasehold land	85 -96
Leasehold property development	Over lease period

Intangible assets are amortised under the straight line method over the useful life of assets as follows:

Product and process development	5 Years
Acquired software	3 Years
Marketing rights	5 Years
Acquired goodwill	5-10 Years

The estimated useful life of the intangible assets and its amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

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.

2.5 Research and development costs
Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. 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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible fixed assets and intangible assets.

2.6 Impairment of assets
The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 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 carried individually at cost less provision for diminution, other than temporary in the value of the investment.

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

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

(ii) **Work in process and Intermediates:**
At material cost, conversion costs and appropriate share of production overheads

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

2.9 Revenue recognition
Revenue from export sales is recognized when significant risks and rewards of ownership is transferred on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the transfer of significant risks and rewards of ownership which generally coincides with dispatch. Sales include excise duty and are stated net of discounts, other taxes, and sales returns.

Income from sale of technical know-how is recognized, when the risk and right to use is transferred to the buyer as per terms of contract.

Analytical services income is recognized when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realization exists. Revenue is net of discount and taxes.

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

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

Interest income is recognised on an accrual basis.

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no significant uncertainity in receiving the same

2.10 Employee benefits
Short-term employee benefits like Provident Fund, medical, leave travel, Employee State Insurance Scheme etc are accrued based on the terms of employment when services are rendered by the employees and charged as an expense to the Statement of Profit and Loss.

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 carried out at the end of financial year.

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Liability for gratuity for the parent company is funded with LIC and SBI Life Insurance Company Limited. Gratuity and termination benefits expenses for the year are accounted based on actuarial valuation carried out using Projected Unit Credit Method 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.

2.11 Foreign currency transactions

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Group and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non monetary items of the Group are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

2.12 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 for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternative Tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal Income Tax in future years. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and asset can be measured reliably.

2.13 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 recognised in the Statement of Profit and Loss on straight line basis.

2.14 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 closing market price of the shares underlying the options granted on the date of grant of option and the option price is expensed under employee benefit expenses over the vesting period.

2.15 Earnings per share (EPS)

In determining the Earnings per share, the Group 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.

2.16 Provisions and contingencies

A provision is recognized when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) 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 the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

2.17 Use of estimates

The preparation of the consolidated 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. Management believes that the estimates used in preparation of consolidated financial statement are prudent and reasonable. Actual results could differ from those estimates and the estimates are recognised in the period in which the results are known/materialise.

2.18 Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.

2.19 Insurance claims

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

2.20 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.22 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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2.23 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

		As at 31 March 2016		As at 31 March 2015	
		No. of Shares	₹ in Million	No. of Shares	₹ in Million
NOTE 3 SHARE CAPITAL					
(a)	**Authorised**				
	Equity shares of ₹ 2 each (2015: Equity shares of ₹ 10 each) (Refer note (i) below)	250,000,000	500.00	50,000,000	500.00
(b)	**Issued**				
	Equity shares of ₹ 2 each (2015: Equity shares of ₹ 10 each) (Refer note (i) below)	238,236,195	476.47	30,485,191	304.85
(c)	**Subscribed and fully paid up**	238,236,195	476.47	30,485,191	304.85
	Equity shares of ₹2 each (2015: Equity shares of ₹10 each) (Refer note (i) below)	238,236,195	476.47	30,485,191	304.85
	TOTAL		476.47		304.85

Notes:

(i) During the year, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity shares of ₹ 2 each with effect from February 26, 2016

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity Shares				
Shares outstanding at the beginning of the year	30,485,191	304.85	27,335,191	273.35
Add: Shares issued during the year (Refer note (a) below)	17,162,048	171.62	3,150,000	31.50
Shares outstanding at the end of the year (Refer Note (i) above)	47,647,239	476.47	30,485,191	304.85
Shares outstanding at the end of the year Face value ₹ 2 per share (PY ₹ 10 per share) (Refer note (i) above)	238,236,195	476.47	30,485,191	304.85

Note:

(a) Conversion of Warrants:

Current Year:

1. Conversion of 2,000,000 warrants issued during the year 2014-15 on preferential basis at a conversion price of ₹ 222.15 per equity share of the Company as approved in the Extra Ordinary General Meeting dated May 21, 2014

2. 3,000,000 warrants on preferential basis at a conversion price of ₹ 236 per equity share of the Company as approved in the Extra Ordinary General Meeting dated July 1, 2014.

3. 1,100,000 warrants at a conversion price of ₹ 475 per equity share of the Company as approved in the Extra Ordinary General Meeting dated March 31, 2015.

Previous Year:

Conversion of 3,150,000 warrants issued on preferential basis at a conversion price of ₹ 135.25 per equity share of the Company as approved in the Extra Ordinary General Meeting dated January 14, 2014.

(b) The Company on May 26, 2015 issued 7,476,635 equity shares of ₹ 10 each at a price of ₹ 535 per equity share to Qualified Institutional Buyers.

(c) During the year, the Company issued on a preferential basis to Promoter group entities and Non- Promoter group entities 757,734 and 2,827,679 equity shares of ₹ 10 each respectively at a price of ₹ 669.10 for consideration other than cash.

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share (Previous year ₹ 10 per share (Refer note (i) above)) . Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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

The amount of dividend per share recognized as distributions to equity shareholders is Nil (31 March 2015 : ₹ Nil)

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

Equity Shares (Refer note (i) above)	As at 31 March 2016		As at 31 March 2015	
Name of the shareholder	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	27,899,930	11.71%	5,579,986	18.30%
Arun Kumar Pillai	23,399,965	9.82%	5,579,993	18.30%
Pronomz Ventures LLP	17,532,560	7.36%	-	-
Agnus Capital LLP	25,125,000	10.55%	3,525,000	11.56%
Chayadeep Ventures LLP	25,125,000	10.55%	3,525,000	11.56%
TIMF Holdings	12,727,245	5.34%	-	-
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.93%	-	-

(v) 2,320,000 shares (As at 31 March 2015: 582,500 shares of ₹ 10 each) of ₹ 2 each (Refer note (i) above) are reserved towards outstanding Employee Stock Options granted / available for grant. (Refer Note 30)

(vi) As at 31 March 2016 5,500,000 warrants (31 March 2015: 5,000,000 of ₹ 10 each) of ₹ 2 each (Refer note (i) above) are outstanding to be converted into equivalent number of shares. (Refer Note 28.1)

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

	As at 31 March 2016	As at 31 March 2015
Equity Shares (Refer note (i) above)	17,927,065	-

(₹ in Million)

		As at 31 March 2016	As at 31 March 2015
NOTE 4 RESERVES AND SURPLUS			
(a)	**Capital reserve balance**		
	Opening Balance	12.47	13.15
	Add: Additions during the year (Refer Note 1.2(iii))	0.45	1.82
	Less: Utilised during the year	(1.82)	(2.50)
	Closing balance	11.10	12.47
(b)	**Securities premium account**		
	Opening Balance	1,665.17	1,260.36
	Add: Premium on shares issued during the year	7,921.44	404.81
	Less: Utilised during the year for writing off shares issue expenses	(48.67)	-
	Closing balance	9,537.94	1,665.17

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(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 4 RESERVES AND SURPLUS (CONTD.)		
(c) Share options outstanding account		
Opening balance	51.31	17.08
Add: Amounts recorded on grants during the year	55.44	96.89
Less: Deferred employee compensation expenses	(11.98)	(62.66)
Closing balance	**94.77**	**51.31**
(d) General reserve balance	144.44	144.44
(e) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(1,482.21)	(1,393.61)
Add: Loss for the year	(221.56)	(107.38)
Less: Transfer to Minority Share	(2.70)	-
Less: Depreciation on transition of Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful as on April 1, 2014, net of deferred tax of ₹ 0.64 million (Refer note 28.5)	-	(5.72)
Add: Consolidation adjustment	-	24.50
Closing balance	**(1,701.07)**	(1,482.21)

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 4 RESERVES AND SURPLUS (CONTD.)		
(f) Translation reserve		
Opening balance	(71.37)	(28.07)
Add / (Less): Translations during the year	111.20	(43.30)
Closing balance	**39.83**	**(71.37)**
TOTAL	8,127.01	319.81

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 5 LONG-TERM BORROWINGS		
Term loans		
From banks		
Secured	397.48	529.83
	397.48	529.83
From other parties		
Secured	1,590.98	1,969.92
Unsecured	23.25	3.47
	1,614.23	1,973.39
From related parties		
Unsecured	114.93	-
	114.93	-
TOTAL	2,126.64	2,503.22

NOTE 5 LONG-TERM BORROWINGS (CONTD.)

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

(₹ in Million)

Particulars	Security	Terms of repayment	As at 31 March 2016		As at 31 March 2015	
			Secured	Unsecured	Secured	Unsecured
Term loans from banks:						
Indian Overseas Bank	First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 22 quarterly Instalments, commencing from December 2014. Repaid fully on 1 July 2015.	-	-	216.89	-
RBL Bank Limited	First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 15 quarterly Instalments, commencing from December 2014	99.90	-	152.94	-
RBL Bank Limited	First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 20 quarterly Instalments, commencing from June 2015	117.67	-	160.00	-
RBL Bank Limited	Exclusive charge on fixed assets of the subsidiary Sequent Research Limited, both present and future and mortgage of land and building owned by Company at Mangalore.	Repayable in 25 quarterly installments	76.00	-	-	-
Halk Bankasi A.S. Turkey	Mortgage of land and factory building of subsidiary TOPKIM TOPKAPI ILAÇ PREMIKS SANAYI VE TICARET A.S., Turkey and personal guarantee of erstwhile shareholders.	Repayable in 7 semi annual equated instalments.	18.91	-	-	-
Halk Bankasi A.S. Turkey	Mortgage of land and factory building of TOPKIM TOPKAPI ILAÇ PREMIKS SANAYI VE TICARET A.S. and personal guarantee of erstwhile shareholders.	Repayable in 7 semi annual equated instalments.	20.03	-	-	-
Halk Bankasi A.S. Turkey	Secured against leased machinery of subsidiary TOPKIM TOPKAPI ILAÇ PREMIKS SANAYI VE TICARET A.S., Turkey.	Repayable in 47 monthly equal instalments.	18.36	-	-	-
Kotak Mahindra Bank Limited	Secured by fixed assets created from term loan by the subsidiary Indo Phyto Chemicals Private Limited, land and building located at Sakkhanpur, Ramnagar as collateral and personal guarantee of Mr Prithi S Kochhar, director of the subsidiary Indo Phyto Chemicals Private Limited.	Repayable in 60 monthly equal instalments	27.87	-	-	-
Kotak Mahindra Bank Limited	Secured by land and building located at Sakkhanpur, Ramnagar of the subsidiary Indo Phyto Chemicals Private Limited as collateral and personal guarantee of Mr Prithi S Kochhar, director of the subsidiary Indo Phyto Chemicals Private Limited.	Repayable in 60 monthly equal instalments	18.74	-	-	-
Total - Term loans from banks			397.48	-	529.83	-

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(₹ in Million)

Particulars	Security	Terms of repayment	As at 31 March 2016		As at 31 March 2015	
			Secured	Unsecured	Secured	Unsecured
Term loans from other parties:						
Housing Development Finance Corporation Limited	Mortgage of Company's property at Thane (West), Mumbai. Personal guarantee of Mr. K.R. Ravi Shankar	Repayable in 28 quarterly Installments, commencing from July 2012	25.71	-	37.14	-
Department of Scientific and Industrial Research	Unsecured	Repayable annually over a period of five years commencing from Mar'12 & Mar'13	-	-	-	3.47
Housing Development Finance Corporation Limited	Mortgage of land along with super structure of property at Mangalore of one of the Subsidiaries of the Company.	Repayable in 34 quarterly Installments, commencing from March 2013.	-	-	90.50	-
Export and Import Bank of India	First charge on the entire fixed assets of the subsidiary Alivira Animal Health Limited, including immovable properties both present and future, second charge over current assets of the subsidiary both present and future, unconditional and irrevocable corporate guarantee of Sequent Scientific Limited to the extent of the shareholding in the subsidiary. Personal guarantee of director Mr Arun Kumar Pillai to the extent of ₹ 50 Crores. First charge / assignment on all intangibles assets of the subsidiary.	Repayable in 26 quarterly Installments, commencing from August 2016.	1,093.27	-	1,237.50	-
Export and Import Bank of India	First pari-passu charge on entire fixed assets of Alivira Animal Health Limited, India, pledge of 60% shares of Provet Veteriner Ürünleri San. ve Tic. A.S., held by Alivira Animal Health Limited, Ireland, pledge of shares of Alivira Animal Health Limited, Ireland held by Alivira Animal Health Limited, India and corporate Guarantee of Alivira Animal Health Limited, India.	Repayable in 16 quarterly installments, commencing from March 2016.	472.00	-	604.78	-
Rakshit Organisational Operations and Transformations Pvt Ltd	Unsecured	Repayable in 2 quartely installments	-	23.25	-	-
Total - Term loans from other parties			**1,590.98**	**23.25**	**1,969.92**	**3.47**

(₹ in Million)

Particulars	Security	Terms of repayment	As at 31 March 2016		As at 31 March 2015	
			Secured	Unsecured	Secured	Unsecured
Term loans from Related Parties						
Aresco Restaurants Private Limited	Unsecured	Repayable in 3 quartely installments	-	30.19	-	-
IK Enterprises Private Limited	Unsecured	Repayable in 2 quartely installments	-	6.30	-	-
Mr. Prithi Pal Singh Kochhar	Unsecured	Repayable in 3 quartely installments	-	30.24	-	-
Mrs. Ishpinder Kaur Kochhar	Unsecured	Repayable in 5 quartely installments	-	48.20	-	-
Total - Term loans from related party			**-**	**114.93**	**-**	**-**

The interest on above term loans from other parties (other than loan from Department of Scientific and Industrial Research) are linked to the respective lender's base rates which are floating in nature. As of 31 March 2016 the interest rates ranges from 5% to 12.90% per annum.

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

(₹ in Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Term loans from banks	103.91	216.89
Term loans from other parties	525.71	1,365.14

(iii) For the current maturities of long-term borrowings, refer note 9(a) in Other current liabilities.

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 6 LONG TERM PROVISIONS		
(a) Provision for employee benefits		
(i) Provision for gratuity (net)	66.46	58.67
(ii) Provision for compensated absences	38.77	33.11
(iii) Provision for termination benefits	13.62	8.01
TOTAL (a)	118.85	99.79
(b) Provison for others		
Provision for tax (net of advance tax- ₹ 28.32 Million) (as at 31 March 2015 is ₹ 28.32 Million)	17.18	17.18
TOTAL (b)	17.18	17.18
TOTAL (a+b)	136.02	116.97

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 7 SHORT-TERM BORROWINGS		
(a) Loans repayable on demand		
From banks		
Secured (Refer note (i) to (iii) below)	319.64	1,012.99
Unsecured (Refer note (iv) to (vi) below)	239.34	1,007.92
TOTAL	558.98	2,020.91
(b) Loans from related parties (Refer Note 30.3)		
Unsecured	1.40	22.15
TOTAL	560.38	2,043.06

(i) Working capital loan from banks 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.

(ii) Working capital loan availed by the subsidiary Fendigo SA, Belgium has first pledge of the business of the Company including tangible and intangible assets which forms part of the business and the goods in stock for upto 50% of its value.

(iii) Working capital loan availed by the subsidiary Indo Phyto Chemicals Private Limited from bank is secured by first charge on current assets of the subsidiary, land and building located at Sakkhanpur, Ramnagar as collateral and personal guarantee of the director of the subsidiary.

(iv) Working capital loans availed by the subsidiary Topkim Topkapi Ilaç Premiks Sanayi Ve Ticaret A.S., Turkey is guaranteed by erstwhile shareholders of the subsidiary in their personal capacities.

(v) Working capital loans availed by the subsidiary Provet Veteriner Ürünleri San. Ve Tic. A.S., Turkey is guaranteed by the director of the subsidiary in his personal capacity.

(vi) Unsecured short-term borrowings of ₹ Nil (31 March 2015 ₹ 999.50 million) are secured against securities provided by entities owned by Promoters.

(vii) Short-term borrowings of ₹ Nil (31 March 2015 ₹486.04 million) are guaranteed by some of the Directors of the Company in their personal capacities.

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 8 TRADE PAYABLES		
Trade payable		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,439.34	909.35
TOTAL	1,439.34	909.35

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt (Refer note (i) below)	448.96	187.90
(b) Interest accrued but not due on borrowings	-	14.56
(c) Other payables		
(i) Statutory remittances	53.37	42.95
(ii) Payables on purchase of fixed assets	58.69	139.11
(iii) Advances from customers	96.12	39.21
(iv) Unclaimed dividends	0.10	0.11
(v) Other current liabilities	9.61	650.50
TOTAL	666.85	1,074.34
Note:		
(i) Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 5 - Long-term borrowings for details of security and guarantee):		
Particulars		
Term loans		
From banks		
Secured		
RBL Bank Limited	101.16	93.04
Indian Overseas Bank	-	29.07
Kotak Mahindra Bank Limited	19.70	-
	120.86	122.11
From other parties		
Secured		
Housing Development Finance Corporation Limited	11.43	21.43
Export and Import Bank of India	315.87	43.03
Unsecured		
Department of Scientific and Industrial Research	0.80	1.33
	328.09	65.79
TOTAL	448.96	187.90

(₹ in Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 10 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
(i) Provision for gratuity	1.44	1.43
(ii) Provision for compensated absences	11.44	7.51
(iii) Provision for termination benefits	5.20	-
	18.08	8.94
(b) Others		
(i) Provision for tax (net of advance tax ₹ 3.70 Million as at 31 March 2015 ₹ 1.44 Million)	53.64	23.79
	53.64	23.79
TOTAL	71.72	32.73

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NOTE 11 A TANGIBLE ASSETS

(₹ in Million)

Particulars	Gross block									Accumulated depreciation									Net block	
	Balance as on 01 April 2015	Additions	Assets acquired on acquisition of subsidiary (Refer Note 32)	Effect of foreign currency exchange differences	Borrowing cost capitalised (Refer note 29.4)	Deletions	Disposed under Slum sale	Reclassified as Held for sale	Balance as at 31 March 2016	Balance as at 01 April 2015	Charged against opening balance of retained earnings	Assets acquired on acquisition of subsidiary (Refer Note 32)	Depreciation / amortisation expense for the year	Effect of foreign currency exchange differences	Deletions	Reclassified as Held for sale	Slump Sale to Songwon and Alivira	Balance as on 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Own assets																				
Freehold land	403.46	82.43	5.68	(0.47)	-	-	-	-	491.10	-	-	-	-	-	-	-	-	-	491.10	403.46
Leasehold land	488.39	-	-	(1.36)	-	-	-	-	487.03	18.77	-	-	12.51	(1.36)	-	-	-	29.92	457.11	469.62
Land development	0.78	-	-	-	-	-	-	-	0.78	0.02	-	-	-	-	-	-	-	0.02	0.76	0.76
Lease hold property-development	1.16	-	-	-	-	-	-	-	1.16	1.11	-	-	0.03	0.01	-	-	-	1.15	0.01	0.05
Building	1,207.42	172.53	223.70	(8.66)	0.13	-	-	-	1,595.12	135.36	-	51.45	53.60	(8.96)	-	-	-	231.45	1,363.67	1,072.06
Furniture and fixtures	30.56	9.30	8.00	(0.73)	-	0.25	-	-	46.88	14.32	-	2.71	3.87	(0.81)	0.16	-	-	19.93	26.95	16.24
Office equipment	20.23	1.80	3.82	0.01	-	0.01	-	-	25.85	5.74	-	0.60	3.31	2.32	-	-	-	11.97	13.88	14.49
Computers	28.68	4.13	2.31	(1.01)	-	-	-	-	34.11	18.03	-	1.03	5.64	(1.01)	-	-	-	23.69	10.42	10.65
Plant and machinery	2,628.01	360.68	293.70	(14.99)	3.99	35.14	-	-	3,236.25	755.54	-	78.94	313.56	(21.92)	11.67	-	-	1,114.45	2,121.80	1,872.47
Vehicles	57.06	8.03	12.96	(1.00)	-	7.40	-	-	69.65	14.96	-	12.57	7.04	(0.26)	11.37	-	-	22.94	46.71	42.10
Total	**4,865.75**	**638.90**	**550.17**	**(28.21)**	**4.12**	**42.80**	**-**	**-**	**5,987.93**	**963.85**	**-**	**147.30**	**399.56**	**(31.99)**	**23.20**	**-**	**-**	**1,455.52**	**4,532.41**	**3,901.90**
Previous year	**3,272.04**	**2,087.53**	**295.79**	**(34.48)**	**96.40**	**126.65**	**505.62**	**487.15**	**4,865.75**	**1,103.31**	**6.36**	**29.56**	**278.02**	**(4.94)**	**69.48**	**196.83**	**182.15**	**963.85**	**3,901.90**	**2,168.73**

NOTE 11 B INTANGIBLE ASSETS

(₹ in Million)

Particulars	Gross block									Accumulated depreciation									Net block	
	Balance as on 01 April 2015	Additions	Assets acquired on acquisition of subsidiary (Refer Note 32)	Effect of foreign currency exchange differences	Borrowing cost capitalised (Refer note 29.4)	Deletions	Disposed under Slum sale	Reclassified as Held for sale	Balance as at 31 March 2016	Balance as at 01 April 2015	Charged against opening balance of retained earnings	Assets acquired on acquisition of subsidiary (Refer Note 32)	Depreciation / amortisation expense for the year	Effect of foreign currency exchange differences	Deletions	Reclassified as Held for sale	Slump Sale to Songwon and Alivira	Balance as on 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Internally generated:																				
Product process development	355.79	94.27	-	(58.98)	-	-	-	-	391.08	231.12	-	-	102.69	(41.94)	-	-	-	291.87	99.21	124.67
Others																				
Brands, Marketing rights and Trade mark	-	-	221.10	-	-	-	-	-	221.10	-	-	-	58.11	(41.52)	-	-	-	16.59	204.51	-
Software	30.29	4.04	3.28	(0.58)	-	-	-	-	37.03	23.21	-	0.23	3.42	(0.58)	-	-	-	26.28	10.75	7.08
Goodwill	-	-	97.85	-	-	-	-	-	97.85	-	-	-	17.28	(7.49)	-	-	-	9.78	88.06	-
Know How	-	4.02	-	-	-	-	-	-	4.02	-	-	1.52	0.05	-	-	-	-	1.57	2.45	-
Total	**386.08**	**102.33**	**322.23**	**(59.56)**	**-**	**-**	**-**	**-**	**751.08**	**254.33**	**-**	**1.75**	**181.56**	**(91.54)**	**-**	**-**	**-**	**346.10**	**404.98**	**131.75**
Previous year	**324.14**	**81.58**	**-**	**0.01**	**-**	**-**	**6.39**	**13.26**	**386.08**	**211.45**	**-**	**-**	**60.23**	**0.07**	**-**	**13.26**	**4.16**	**254.33**	**131.75**	**112.69**

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(₹in Million)

	Year ended 31 March 2016	Year ended 31 March 2015
NOTE 11 C DEPRECIATION AND AMORTISATION		
Depreciation and amortisation for the year on tangible assets as per Note 11 A	399.56	278.02
Depreciation and amortisation for the year on intangible assets as per Note 11 B	181.56	60.23
Less: Elimination of Inter company transactions	96.97	11.86
Less: Depreciation capitalised for intangible assets developed	1.84	2.27
Less: Depreciation capitalised for tangible assets developed	-	6.63
TOTAL	482.31	317.49

(₹in Million)

	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
NOTE 11 D DETAILS OF SUMS ADDED TO ASSETS ON REVALUATION DURING THE PRECEDING 5 YEARS:					
Opening balance					
Leasehold land	248.45	292.03	295.84	299.65	303.46
Buildings	69.05	110.96	115.92	120.88	125.84
	317.50	402.99	411.76	420.53	429.30
Added on revaluation					
Leasehold land	-	-	-	-	305.08
Buildings	-	-	-	-	128.32
	-	-	-	-	433.40
Date					1 October 2009
Disposed under sale of Specialty	-	-	-	-	-
Chemicals Division	-	-	-	-	-
Leasehold land	-	40.96	-	-	-
Buildings	-	38.98	-	-	-
	-	79.94	-	-	-
Date		31st July 2014			
Amount		79.94			
Balance as at 31 March (Net Block)					
Leasehold land	244.64	248.45	292.03	295.84	299.65
Buildings	64.09	69.05	110.96	115.92	120.88
	308.73	317.50	402.99	411.76	420.53

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 12 NON-CURRENT INVESTMENTS		
Trade investments (valued at cost unless stated otherwise)		
A Investment in equity instruments of other entities		
i) Strides Shasun Limited (Formely known as Strides Arcolab Limited) (Refer Note (a) below)		
3,312,500 (31 March 2015: 7,100,000 of ₹ 2 each) shares of ₹ 10 per share fully paid-up	1,166.00	385.00
ii) Shasun Pharmaceuticals Limited (Refer Note (b) below)	-	195.25
	1,166.00	580.25
B Other investments		
i) Ambarnath Chemical Manufacturers		
1,000 (31 March 2015: 1,000) Equity Shares of ₹ 10 each fully paid-up	0.01	0.01
ii) Tarapur Industrial Manufacturers		
2,000 (31 March 2015: 2,000) Equity Shares of ₹ 10 each fully paid-up at a premium of ₹ 10 per share	0.04	0.04
	0.05	0.05
C Other Non current Investments		
Investment in government securities		
i) National Saving Certificate	0.02	0.02
ii) NSC VIII Issue - Tarapur	0.06	0.05
	0.08	0.07
TOTAL	1,166.13	580.37
Aggregate amount of unquoted investments	0.13	195.37
Aggregate amount of quoted investments	1,166.00	385.00
Aggregate market value of listed and quoted investments	3,605.66	1,303.40

Note:

(a) During the year, the Company converted 7,100,000 warrants to equal number of equity shares of ₹ 2 each. With this conversion, the Company had 10,600,000 equity shares of Shasun Pharmaceuticals Limited. Subsequently, pursuant to Scheme of Amalgamation between Strides Arcolab Limited and Shasun Pharmaceuticals Limited, the Company has received 3,312,500 equity shares of ₹ 10 each in the amalgamated entity (Strides Shasun Limited) in lieu of 10,600,000 shares of Shasun Pharmaceuticals Limited.

(b) Trade investment in equity instruments of other entities includes Nil (31 March 2015: ₹195.25 Million) investment made in Shasun Pharmaceuticals Limited towards 25% of amount paid for subscription of 7,100,000 of warrants at a price of ₹ 110 per warrant. Each warrant is convertible into one equity share of face value of ₹ 2 each on payment of balance subscription amount of ₹ 585.75 Million on or before 28 November 2015.The Company has converted the warrants to equivalent number of equity shares during the year. (Also refer note (b) above)

(₹ In Million)

	As at 31 March 16	As at 31 March 15
NOTE 13 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Capital advances	32.39	89.32
(b) Security deposits	43.56	44.69
(c) Security deposits to related parties (Refer note 30.3)	2.27	2.27
(d) Balances with government authorities	0.13	-
(e) Advance income tax (net of provisions ₹ 122.31 million (As at 31 March, 2015 ₹ 111.70 million)	69.50	38.00
(f) MAT credit entitlement		
Opening balance	45.75	73.34
Less: Utilised during the year	-	27.59
Add: Addition during the year	2.76	-
Closing balance	48.51	45.75
(g) Prepaid expenses	8.93	29.16
(h) Loans and advances to other parties	5.00	-
TOTAL	210.29	249.19

(₹ In Million)

	As at 31 March 16	As at 31 March 15
NOTE 14 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
(a) Margin money deposits	-	15.55
(b) Other deposits	10.34	-
TOTAL	10.34	15.55

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(₹ In Million)

		As at 31 Mar 2016	As on 31 March 2015
NOTE 15 CURRENT INVESTMENTS			
Current investments (valued at lower of cost and estimated net realisable value)			
A	**Quoted equity instruments**		
i)	Agrodutch Industries Limited		
	36,250 (31 March 2015: 36,250) Equity Shares of ₹ 10 each fully paid-up	0.34	0.34
ii)	Transchem Limited		
	32,500 (31 March 2015: 32,500) Equity Shares of ₹ 10 each fully paid-up	0.43	0.43
iii)	Techindia Nirman Limited (Formerly known as Nath Seed Limited)		
	18,270 (31 March 2015: 18,270) Equity Shares of ₹ 10 each fully paid-up	-	-
iv)	Nath Bio Genes (I) Limited		
	6,930 (31 March 2015: 6,930) Equity Shares of ₹ 10 each fully paid-up	-	-
v)	Agritech (India) Limited		
	6,300 (31 March 2015: 6,300) Equity Shares of ₹ 10 each fully paid-up	-	-
B	**Current investments (valued at lower of cost and fair value)**		
	Unquoted equity instruments		
	Aditya Investment & Communication Limited		
	58,800 (31 March 2015: 58,800) shares of ₹ 10 each fully paid-up	-	-
C	**Unquoted mutual funds**		
i)	Investments in Mutual fund of Halk Bank,Turkey	46.47	4.95
ii)	Investments in Mutual fund of Garanti Bank,Turkey	0.42	0.09
iii)	Reliance Short Term Fund - Growth Plan - Growth Option	190.00	-
	Units 7,117,557.003 (31 March 2015: Nil)		
iv)	Tata Short Term Bond Fund- Regular Plan-Growth	100.00	-
	Units 3,778,218.570 (31 March 2015: Nil)		
v)	Birla Sun Life Savings Fund - Growth- Regular Plan	100.00	-
	Units 363,771.729 (31 March 2015: Nil)		
vi)	UTI Short Term Income Fund - Institutional Option- Growth	165.00	-
	Units 9,673,710.328 (31 March 2015: Nil)		
vii)	DSP Blackrock Short Term Fund-Regular Plan-Growth	30.00	-
	Units 1,229,724.911 (31 March 2015: Nil)		
	TOTAL	**632.66**	**5.81**
	Aggregate amount of Listed and quoted investments	0.77	0.77
	Aggregate Market value of Listed and quoted investment	1.33	1.72
	Aggregate amount of unquoted investments	631.89	5.04
	Aggregate net asset value of investment in mutual funds	668.44	5.04

(₹ In Million)

		As at 31 Mar 2016	As on 31 March 2015
NOTE 16 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)			
(a)	Raw materials and packing materials	378.20	307.99
	Goods-in transit	103.78	64.47
		481.98	**372.46**
(b)	Work-in-progress and intermediates	341.23	247.27
(c)	Finished goods	303.65	288.56
	Goods-in transit	0.93	2.42
		304.58	**290.98**
(d)	Stock-in trade	217.16	27.11
(e)	Fuel	5.81	5.78
	TOTAL	**1,350.76**	**943.60**

(₹ In Million)

		As at 31 Mar 2016	As on 31 March 2015
NOTE 17 TRADE RECEIVABLES			
(a)	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	152.36	246.64
	Unsecured, considered doubtful	48.85	43.27
		201.21	**289.91**
	Less: Provision for doubtful debts	48.85	43.27
		152.36	**246.64**
(b)	Other trade receivables		
	Unsecured, considered good	1,606.09	907.73
	Unsecured, considered doubtful	1.10	3.13
		1,607.19	**910.86**
	Less: Provision for doubtful debts	1.10	3.13
		1,606.09	**907.73**
	TOTAL	**1,758.45**	**1,154.37**

(₹ In Million)

		As at 31 Mar 2016	As on 31 March 2015
NOTE 18 CASH AND CASH EQUIVALENTS			
(a)	Cash on hand	4.04	0.70
(b)	Cheques, drafts in hand	8.91	3.38
(c)	Balances with banks		
	In current accounts (Refer note (i) below)	178.96	288.97
	In deposit accounts	8.15	-
	In EEFC accounts	0.07	0.21
	Unpaid dividend accounts	0.10	0.11
	Margin money deposits (Refer note (ii) below)	42.27	91.15
(d)	Remittance in transit	-	0.05
	TOTAL	**242.50**	**384.57**

Note:

(i) Balance with banks in current account includes nil (31 March 2015 ₹ 75 million) which has restrictions on utilisation of funds for capital projects.

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

(₹ In Million)

		As at 31 March 16	As at 31 March 15
NOTE 19 SHORT-TERM LOANS AND ADVANCES			
A	**Unsecured, considered good**		
(a)	Loans and advances to related parties (Refer note 30.3)	0.13	-
(b)	Security deposits - others	1.68	1.48
(c)	Advances to suppliers	123.37	57.58
(d)	Advances to employees	9.94	1.76
(e)	Loans and advances to others	0.68	5.23
(f)	Balances with government authorities	326.88	328.77
(g)	Advance income tax	4.22	22.32
(h)	Prepaid expenses	45.11	28.72
	TOTAL (A)	**512.01**	**445.86**
B	**Unsecured, considered doubtful**		
	Loans and advances to others	9.61	9.61
	Less: Provision for doubtful advances	9.61	9.61
	TOTAL (B)	**-**	**-**
	TOTAL (A+B)	**512.01**	**445.86**

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(₹ In Million)

	As at 31 March 16	As at 31 March 15
NOTE 20 OTHER CURRENT ASSETS		
(a) Interest accrued on deposits	3.40	3.81
(b) Fixed assets held for disposal (Refer note 28.4)	143.97	150.00
(c) Claims receivable	46.69	8.95
(d) Others	0.24	-
TOTAL	194.30	162.76

(₹ In Million)

	Year Ended 31 March 2016	Year Ended 31 March 2015
NOTE 21 REVENUE FROM OPERATIONS		
a) Sale of products	6,318.95	4,457.86
b) Sale of services	78.86	105.87
c) Other operating revenues (Refer note (i) below)	98.97	69.91
	6,496.78	4,633.64
Less:		
Excise duty	152.04	201.41
TOTAL	6,344.74	4,432.23
Note:		
(i) Other operating revenues comprises:		
Sale of scrap	8.22	5.77
Sale of Import Licences	50.10	42.00
Duty drawback and other export incentives	16.11	19.90
Income from handling charges	1.68	-
Reimbursement of expenses	-	2.24
Others	22.86	-
Total - Other operating revenues	98.97	69.91

(₹ In Million)

	As at 31 March 16	As at 31 March 15
NOTE 22 OTHER INCOME		
(a) Interest income (Refer note (i) below)	32.18	10.95
(b) Net gain on sale of Current investments	20.42	11.27
(c) Profit on sale of fixed assets (net)	-	5.12
(d) Other non-operating income (Refer note (ii) below)	43.28	65.97
(e) Dividend Income	10.60	6.26
TOTAL	106.48	99.57
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	30.06	9.82
Interest on security deposits	0.63	0.56
Interest on Income tax refund	1.49	-
Other Interest	-	0.57
Total - Interest income	32.18	10.95
(ii) Other non-operating income comprises:		
Insurance claim received	0.28	0.22
Liabilities / provisions no longer required written back	25.17	63.34
Recovery of bad debts	-	-
Sharing of expenses/Rental Income	-	-
Miscellaneous Income	17.83	2.41
TOTAL	43.28	65.97

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 23.A COST OF MATERIALS CONSUMED		
Opening stock	372.46	307.44
Add: Purchases	2,168.07	1,999.88
Add: Opening stock on acquisition of subsidiaries	72.91	65.74
Add: Consolidation adjustment	(0.37)	(9.82)
Less: Closing stock	481.98	372.46
TOTAL	2,131.09	1,990.78

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 23.B PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	934.71	239.35
TOTAL	934.71	239.35

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 23.C CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS & INTERMEDIATES		
Opening stock		
Work-in-progress and intermediates	247.27	305.71
Finished goods /stock-in-trade	318.09	260.90
	565.36	566.61
Opening stock on acquisition of subsidiaries		
Work-in-progress and intermediates	79.14	3.21
Finished goods /stock-in-trade	293.43	26.47
	372.57	29.68
Consolidation adjustment		
Work-in-progress and intermediates	(0.22)	(0.77)
Finished goods /stock-in-trade	5.85	(3.46)
	5.63	(4.23)
Closing stock		
Work-in-progress and intermediates	341.23	247.27
Finished goods /stock-in-trade	521.74	318.09
	862.97	565.36
Net (increase) / decrease	80.59	26.70

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 24 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	725.97	495.61
Contributions to Provident Fund and other funds	46.81	37.37
Expense on Employee Stock Option Scheme	56.05	44.57
Staff welfare expenses	43.64	33.52
TOTAL	872.48	611.07

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 25 FINANCE COSTS		
Interest expense on borrowings	333.05	383.07
Other borrowing costs	52.52	46.74
TOTAL	385.57	429.81

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(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 26 OTHER EXPENSES		
Power, water and fuel	271.65	233.15
Consumables	121.41	101.08
Conversion and processing charges	228.48	165.06
Contract labour charges	107.49	122.26
Freight and forwarding	106.46	87.32
Rent (including lease rentals (Refer note 29.5))	17.97	16.14
Rates and taxes	38.21	38.84
Communication expenses	22.89	16.50
Repairs and maintenance		
Building	39.79	23.28
Machinery	102.02	69.46
Others	92.12	56.00
Insurance	17.82	9.20
Travelling and conveyance	96.23	68.34
Advertisement and selling expenses	37.96	63.60
Commission on sales	104.82	51.78
Legal and professional fees	108.57	66.82
Analytical charges	39.79	6.00
Bad trade receivables written off	14.96	7.24
Bad loans and advances written off	4.43	47.79
Provision for doubtful trade receivables	3.55	14.88
Loss on sale of assets	4.95	-
Loss on disposal of subsidiary	-	3.49
Tangible fixed assets written off	2.51	16.36
Net loss on foreign currency transactions and translation	16.07	10.93
Increase/(Decrease) of excise duty on inventory	(7.43)	(4.36)
Other expenses	104.45	77.05
TOTAL	**1,697.18**	**1,383.15**

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
NOTE 27 EXCEPTIONAL ITEMS (REFER NOTE (I) BELOW)		
Expected loss due to disposal of Ambernath plant (Refer note (i) (a) below)	-	166.64
Expenses related to acquisitions of subsidiaries	36.93	-
TOTAL	**36.93**	**166.64**

Note no. (i):

a) The Group has decided to shutdown the operations at its Ambernath plant. Expected loss due to assets held for disposal being lower of net book value and net realisable value of ₹ 140.32 Million has been recognised as at previous year. The loss also includes ₹ 26.32 Million towards other expenses incurred on closing the operations.

NOTE 28 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

28.1 Money received against share warrants

Current year:

a) The Board of Directors of the Company on 11 April 2015 and 13 April 2015 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 31 March 2015 had resolved to create, offer, issue and allot up to 1,100,000 warrants to Promoter Group entities, convertible into 1,100,000 equity shares of ₹ 10/- each and 1,100,000 warrants to Non-promoter, convertible into 1,100,000 equity shares of ₹ 10/- each respectively, on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹475/- per equity share of the Company including a premium of ₹ 465/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 261.25 Million was received from the allottees. Out of the above, 1,100,000 warrants issued to Non-promoters have been converted into equivalent number of equity shares on 10 June 2015. As on 31 March 2016, 1,100,000 warrants were outstanding.

The balance application money as at 31 March 2016 amounting to ₹ 130.63 Million represents money received against 1,100,000 warrants (after sub-division 5,500,000 warrants).

b) The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 11 October 2016. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. The Company has sufficient authorised capital to cover the allotment of these shares.

Previous year:

a) The Board of Directors of the Company on May 28, 2014 at its Board meeting pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on May 21, 2014 had resolved to create, offer, issue and allot up to 2,000,000 warrants to Promoter Group entities, convertible into 2,000,000 equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹ 222.15/- per equity share of the Company including a premium of ₹ 212.15/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 111.08 Million was received from the allottees. As on March 31, 2015 all the warrants were outstanding.

The balance application money as at March 31, 2015 amounting to ₹ 111.08 Million represents money received against 2,000,000 warrants.

b) The Board of Directors of the Company further by circular resolution on July 11, 2014 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on July 1, 2014 had resolved to create, offer, issue and allot up to 3,000,000 warrants to Promoter Group entities, convertible into 3,000,000 equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹236/- per equity share of the Company including a premium of ₹ 226/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 177 Million was received from the allottees. As on March 31, 2015 all the warrants were outstanding.

The balance application money as at March 31, 2015 amounting to ₹ 177 Million represents money received against 3,000,000 warrants.

28.2 Contingent liabilities and commitments

(i) Contingent liabilities

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Claims against the Group not acknowledged as debts		
Sales tax / Value added tax *	0.33	9.87
Income tax *	22.15	79.05
Service tax *	6.10	1.48
Excise duty*	0.29	0.47
(b) Other money for which the Group is contingently liable		
Bills receivables discounted with banks**	283.03	106.52

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Group's right for future appeal before the judiciary.

** Outflow, if any, would depend on party not honouring the bill on due date and the Group's further legal right.

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(ii) Commitments

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible and Intangible fixed assets	81.91	91.62
(b) Unpaid amount towards subscription of 7,100,000 warrants of Shasun Pharmaceuticals Limited	-	585.75

28.3 Details on derivatives instruments and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Group as on 31 March 2016

Currency	Amount in US $ in Million	Buy / Sell	Cross currency
USD	0.56	Buy	Rupees
	(-)		
USD	1.91	Sell	Rupees
	(4.23)		

Note: Figures in brackets relate to the previous year

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

(₹ In Million)

Foreign currency	As at 31 March 2016		As at 31 March 2015	
	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
EURO	47.86	0.64	30.94	0.46
USD	543.82	8.20	381.33	6.09
SGD	-	-	0.13	-
EURO	(28.81)	(0.38)	(9.26)	(0.14)
USD	(664.33)	(10.00)	(579.41)	(9.24)
GBP	-	-	(0.02)	-
CHF	(0.75)	(0.01)	(0.75)	(0.01)
THAI BAHT	(0.23)	(0.12)	-	-

28.4 Details of fixed assets held for sale (lower of net book value and net realisable value)

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
All assets including Leasehold land, Factory building, Plant and machinery, Furniture and fixtures, Office equipments and computers at Ambernath plant	143.97	150.00
TOTAL	**143.97**	**150.00**

28.5 During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014, the Group has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previous and revised useful life are as follows:

(₹ In Million)

	Previous useful life in years	Revised useful life in years
Computers	6	3
Office equipments	20	5
Furniture and fixtures	15	10
Vehicles	10	8

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April 2014, and has adjusted an amount of ₹ 5.72 Million (net of deferred tax of ₹ 0.64 Million) against the Surplus/(Deficit) in consolidated Statement of Profit and Loss as on 1 April 2014, under Reserves and Surplus. (Refer note 4)

The depreciation expense in the Statement of Profit and Loss for the year ended 31 March 2015 is higher by ₹ 3.51 Million consequent to the change in the useful life of the assets.

28.6 Minority Interest includes compulsory convertible preference shares issued by a subsidiary company outside the Group:

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
Compulsorily convertible preference shares	-	1,174.46

Terms/rights attached to compulsorily convertible preference shares

Alivira Animal Health Limited, India ('Alivira') subsidiary of the Company has only one class of preference share of ₹ 100 each. Preference shares shall be compulsorily convertible into equity shares on or before completion of 10 years from the date of allotment i.e. April 16, 2014. Preference Shareholders shall not have any voting rights except as provided under Section 47 of the Companies Act, 2013. These Preference shares would carry a cumulative preferential dividend of 0.001% per annum and shall have priority over payment of dividends or repayment of capital against equity shareholders of the Alivira.

Preference Shareholders shall not have any rights to participate in surplus assets and profits on winding-up after the entire capital has been re-paid. In the event of liquidation of the Company, these Preference Shares shall be converted into equity shares. During the year, the preference shares outstanding at the beginning of the year were converted to equity shares.

28.7 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars	Net assets, i.e., total assets minus total liabilities (as at March 31, 2016)		Share of profit or loss (for year ended March 31, 2016)	
	As % of consolidated Net assets	Amount ₹ Million	As % of consolidated loss	Amount ₹ Million
Parent				
Sequent Scientific Limited	69.06%	9,570.46	(30.47%)	70.82
Subsidiaries				
Indian				
Alivira Animal Health Limited, India	20.41%	2,828.51	122.61%	(284.96)
Sequent Research limited	0.41%	57.38	2.22%	(5.17)
Sequent Penems Private Limited	0.23%	32.11	(2.85%)	6.63
Elysian Life sciences Private Limited	(0.80%)	(111.55)	(0.18%)	0.42
Sequent Antibiotics Private Limited	0.00%	(0.51)	0.00%	(0.01)
Sequent Pharmaceuticals Private Limited (Formerly known as Sequent Oncolytics Private Limited)	0.00%	(0.11)	0.01%	(0.03)
Indo Phyto Chemicals Private Limited	0.49%	68.23	(6.79%)	15.78
Foreign				
Provet Veterinerlik Urunleri Tic.Ltd.Sti	3.57%	494.17	(15.55%)	36.13
Alivira Animal Health Limited, Ireland	4.21%	584.05	39.22%	(91.15)
Sequent Global Holdings Limited	0.00%	(0.09)	0.80%	(1.86)
Fendigo SA	0.41%	56.41	(5.27%)	12.25
Fendigo BV	0.11%	14.92	(0.15%)	0.34
N-Vet AB	0.76%	105.19	(7.63%)	17.73
Topkim Ilaç Premiks San. ve Tic. A.S	1.15%	159.54	4.01%	(9.33)
TOTAL	**100.00%**	**13,858.71**	**100.00%**	**(232.41)**
Adjustments arising out of consolidation		(5,381.52)		(12.86)
Minority Interests in all subsidiaries		256.92		23.71
TOTAL		**8,734.11**		**(221.56)**

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28.8 Goodwill on consolidation

(₹ In Million)

	As at 31 March 2016	As at 31 March 2015
Opening Balance	710.65	94.52
Add: On acquisition of subsidiaries during the year	1,942.80	616.13
Add: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	103.65	-
TOTAL	2,757.10	710.65

NOTE 29 DISCLOSURES UNDER ACCOUNTING STANDARDS

29.1 Employee benefit plans

29.1.a Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 30.15 Million (net) (Year ended 31 March 2015 - ₹ 27.81 Million(net)) for Provident Fund contributions and ₹ 2.15 Million (Year ended 31 March 2015 - ₹ 1.91 Million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

In respect of the foreign subsidiary, the subsidiary makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the subsidiary is required to contribute a specified percentage payroll costs to fund the benefits. The Group recognised ₹ 16.66 Million (Year ended 31 March 2015 - ₹ 5.18 Million) for Social Security Scheme contributions.

29.1.b Defined benefit plans

The Group has a defined Gratuity benefit plan for employees in India. The foreign subsidiary has termination benefits for its employees in Turkey. The following table summarizes the components of net employee benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan.

(₹ In Million)

Particulars	Year ended 31 March 2016 Gratuity	Year ended 31 March 2016 Termination benefits	Year ended 31 March 2015 Gratuity	Year ended 31 March 2015 Termination benefits
Components of employer expense				
Current service cost	11.60	0.22	10.22	2.59
Interest cost	4.99	0.48	5.78	-
Expected return on plan assets	(0.64)	-	(0.75)	-
Actuarial losses/ (gains)	(5.63)	-	3.14	-
Total expense recognised in the Statement of Profit and Loss	**10.32**	**0.70**	**18.39**	**2.59**
Actual contribution and benefit payments for year				
Actual benefit payments	(9.09)	-	(3.13)	-
Actual contributions	5.57	-	0.50	-
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	75.30	18.82	68.03	8.01
Fair value of plan assets	7.40	-	7.93	-

(₹ In Million)

Particulars	Year ended 31 March 2016 Gratuity	Year ended 31 March 2016 Termination benefits	Year ended 31 March 2015 Gratuity	Year ended 31 March 2015 Termination benefits
Funded status [Surplus / (Deficit)]	(67.90)	(18.82)	(60.10)	(8.01)
Net asset / (liability) recognised in the Balance Sheet	**(67.90)**	**(18.82)**	**(60.10)**	**(8.01)**
Change in Defined Benefit Obligations (DBO) during the year				
Present value of DBO at beginning of the year	68.03	8.01	63.08	-
Current service cost	11.60	0.22	10.22	2.59
Interest cost	4.99	0.48	5.78	-
Purchase/(sale) of undertaking	3.27	9.41	(11.04)	5.42
Acquisition of subsidiary	2.21	-	-	-
Actuarial (gains) / losses	(5.71)	0.70	3.12	-
Benefits paid	(9.09)	-	(3.13)	-
Present value of DBO at the end of the year	**75.30**	**18.82**	**68.03**	**8.01**
Change in fair value of assets during the year				
Plan assets at beginning of the year	7.93	-	9.83	-
Expected return on plan assets	0.64	-	0.75	-
Purchase of undertaking	2.43	-	-	-
Actual Group contributions	5.57	-	0.50	-
Actuarial gain / (loss)	(0.08)	-	(0.02)	-
Benefits paid	(9.09)	-	(3.13)	-
Plan assets at the end of the year	**7.40**	**-**	**7.93**	**-**
Actual return on plan assets	0.57	-	0.72	-

Notes

1. The discount rate for the Company is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The discount rate for the Company's foreign subsidiary is based on the prevailing market yields of Government of respective countries securities as at the Balance Sheet date for the estimated term of the obligations.
3. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
4. The Group's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the annual period beginning after Balance Sheet date is ₹ 6.59 Million (31 March 2015 - ₹ 1.43 Million).
5. Expected rate of return on plan assets is determined after considering several applicable factors such as the composition of plan assets, investment strategy, market scenerio, etc.

Composition of the plan assets is as follows:

The details with respect to the investment made by Fund managers (LIC and SBI Life) into major categories of plan assets have not been disclosed, as the same has not be provided by the Fund managers to the Group.

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(₹ In Million)

Particulars	Year ended 31 March 2016 Gratuity	Year ended 31 March 2016 Termination benefits	Year ended 31 March 2015 Gratuity	Year ended 31 March 2015 Termination benefits
Actuarial assumptions				
Discount rate	7.5% - 7.70%	10.75%	7.80% - 7.85%	8.50%
Expected return on plan assets	8% to 8.35%	NA	8.75%	NA
Salary escalation	12.00%	6.50%	12.00%	6.00%
Attrition	8% - 12%	5.00%	12.00%	5.00%
Mortality tables	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

(₹ In Million)

Experience adjustments	2015-16	2014-15	2013-14	2012-13	2011-12
Experience (gain) / loss adjustments on plan liabilities	(7.20)	(3.25)	(0.95)	2.20	(5.90)
Experience gain / (loss) adjustments on plan assets	(0.16)	(0.02)	0.09	0.24	0.19

29.1.c

Actuarial assumptions for long-term compensated absences	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	7.50% - 10.75%	7.80% - 8.50%
Salary escalation	6.5% - 12%	6% - 12%
Attrition	5% - 12%	5% - 12%
Mortality tables	IALM (2006-08)	IALM (2006-08)

Notes

1. The discount rate for the Company is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The discount rate for the Company's foreign subsidiary is based on the prevailing market yields of Government of respective countries securities as at the Balance Sheet date for the estimated term of the obligations.
3. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

29.2 Segment information

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system

Primary Segment information (Business segment)

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
1 Segment Revenue		
a) Pharmaceuticals	6,265.88	4,326.36
b) Speciality Chemicals	-	221.41
c) Analytical Services	78.86	105.87
TOTAL	6,344.74	4,653.64
Less Intersegment Revenue	-	-
Total revenue	6,344.74	4,653.64
2 Segment Results		
a) Pharmaceuticals	58.66	(182.51)
b) Speciality Chemicals	-	12.26
c) Analytical Services	13.86	45.88
Total Segment Result	72.52	(124.37)
Less: Interest Paid & other Finance charges	385.57	443.70
Add: Other Un-allocable Income net of Un-allocable expenditure(loss)	(143.41)	484.36
Total Profit/(Loss) Before Tax	(169.64)	(83.71)

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Less:		
1) Tax Expense	29.37	33.90
2) Deferred Tax	(1.16)	(13.73)
3) MAT Credit Entitlement	-	(0.01)
Loss for the year before allocation to minority interest	(197.85)	(117.61)
Share of minority interest	23.71	(10.23)
Loss for the year after minority interest	(221.56)	(107.38)
3 Other Information		
a) Segment Assets		
a. Pharmaceuticals	11,163.50	7,489.30
b. Speciality Chemicals	-	-
c. Analytical Services	191.53	171.05
Total Segmental Assets	11,355.04	7,660.35
Add: Un-allocable Corporate Assets	2,652.10	1,416.60
Total Assets	14,007.14	9,076.95
b) Segment Liabilities		
a. Pharmaceuticals	2,100.34	2,017.86
b. Speciality Chemicals	-	-
c. Analytical Services	159.95	130.78
Total Segmental Liabilities	2,260.29	2,148.64
Add: Un-allocable Corporate Liabilities	2,755.82	4,546.28
Total Liabilities	5,016.11	6,694.92
c) Capital Expenditure		
a. Pharmaceuticals	1,398.87	2,361.80
b. Speciality Chemicals	-	-
c. Analytical Services	59.40	35.41
TOTAL	1,458.27	2,397.21
d) Depreciation		
a. Pharmaceuticals	456.73	298.12
b. Speciality Chemicals	-	11.86
c. Analytical Services	25.58	19.37
TOTAL	482.31	329.35

Secondary Segment Information (Geographical Segment)

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Distribution of the segment revenue by geographic location of customers		
Europe	1,785.03	949.55
Asia	3,495.63	2,691.27
Rest of the World	1,064.09	1,012.82
TOTAL	6,344.74	4,653.64
Segment assets		
Europe	2,376.64	13.50
Asia	11,535.32	9,003.13
Rest of the World	12.72	-
TOTAL	13,924.67	9,016.63
Cost incurred during the year to acquire segment assets (tangible and intangible fixed assets)		
Europe	-	-
Asia	1,458.27	2,397.21
Rest of the World	-	-
TOTAL	1,458.27	2,397.21

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29.3 Related Party Disclosures:

A List of related parties:

i) Key Management Personnel

Mr. Manish Gupta, Chief Executive Officer and Managing Director

Dr. Gautam Kumar Das, Joint Managing Director

Mr. P R Kannan, Chief Financial Officer

Dr. Huyesin Aydin, Chief Executive Officer, Provet Veteriner Ürünleri San. ve Tic. A.S., Turkey (with effect from 3 Nov 2014)

Ms. Kumud Sampath, Chief Executive Officer and Director, SeQuent Research Limited

Mr. Claes Goran Sjosten, Director, N-Vet AB, Sweden (with effect from 1 October 2015)

Mr. Mats Carlsson, Director, Fendigo SA, Belgium (with effect from 1 October 2015

Mr. Bernard Bradfer, Director, Fendigo SA, Belgium (with effect from 1 October 2015

Mr. S J C M vd Heijden, Director, Fendigo BV, Nethe rlands (with effect from 1 October 2015)

Mr. Prithipal Singh Kochhar, Director, Indo Phyto Chemicals Private Limited (with effect from 29 January 2016)

ii) Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company:

Strides Shasun Limited (formerly known as Strides Arcolab Limited)
Atma Projects
Agnus Holdings Private Limited
Latitude Projects Private Limited
Chayadeep Properties Private Limited
Deesha Properties
Agnus Capital LLP
Chayadeep Ventures LLP
Pronomz Ventures LLP
Pardime Infrastructure Development Company
Sequent Speciality Chemicals Private Limited
Provet-Genom Biyot.Lab.Ltd.STI
I K Enterprises Private Limited
Aresko Restaurants Private Limited

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

B. Transactions for the year

(₹ In Million)

Nature of Transactions	Key Management Personnel / Relatives of Key Management Personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
(i) Sale of material/services				
Strides Shasun Limited			736.81	567.55
(ii) Interest paid				
Chayadeep Properties Private Limited			0.27	2.50
Mr. Prithi Pal Singh Kochhar	0.59	-		
I K Enterprises Private Limited			0.11	-
Aresko Restaurants Private Limited			0.52	-
(iii) Purchase of materials				
Strides Shasun Limited			46.44	-
(iv) Purchase of machinery/assets				
Strides Shasun Limited			0.05	-
(v) Managerial remuneration				
Dr. Gautam Kumar Das	15.60	13.57		
Mr. Manish Gupta	21.35	6.93		
Ms.Kumud Sampath	6.89	7.98		
Mr. Prithipal Singh Kochhar	0.81	-		
Mr. Mats Carlsson	6.09	-		
Mr. Bernard Bradfer	6.09	-		
Mr. S J C M vd Heijden	5.35	-		
(vi) Reimbursement of expenses to				
Strides Shasun Limited			8.64	8.48
Mr. Prithipal Singh Kochhar	0.16	-		
(vii) Rent paid				
Agnus Holdings Private Limited			2.00	-
Strides Shasun Limited			0.26	1.82
(viii) Loans/advances received*				
Chayadeep Properties Private Limited			-	81.50
(ix) Loan/advances given by Group				
Provet-Genom Biyot.LAB.LTD.STI			2.31	2.20
(x) Loan/advances repaid by Group				
Chayadeep Properties Private Limited			16.77	353.79
(xi) Deposit received back				
Deesha Properties			-	6.27
(xii) Shares issued on conversion of warrants				
Agnus Capital LLP			340.15	148.78
Chayadeep Ventures LLP			340.15	148.78
Pronomz Ventures LLP			472.00	128.49
(xiii) Money received against share warrants				
Agnus Capital LLP			255.11	196.62
Chayadeep Ventures LLP			255.11	196.62
Pronomz Ventures LLP			484.63	214.37

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C. Balance as at Balance Sheet date

(₹ In Million)

Nature of Transactions	Key Management Personnel / Relatives of Key Management Personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
(i) Trade receivables / other current assets				
Strides Shasun Limited			195.57	131.66
(ii) Deposits				
Strides Shasun Limited			2.27	2.27
(iii) Payable				
Chayadeep Properties Private Limited			5.31	21.84
Dr.Huseyin Aydin	0.30	0.31		
Mr. Prithipal Singh Kochhar	30.24	-		
I K Enterprises Private Limited			6.30	-
Aresko Restaurants Private Limited			29.98	-
Mr. Ishpinder Kaur Kochhar	48.20	-		
Mr. Mats Carlsson	0.12	-		
Mr. Bernard Bradfer	0.12	-		
Atma Projects			0.20	-
Agnus Holdings Private Limited			0.02	-
Mr. Claes Goran Sjosten	0.33	-		
Strides Shasun Limited			6.98	-
(iv) Advance receivable				
Provet-Genom Niyot.Lab.Ltd.Sti			4.45	2.20
(v) Money received against share warrants				
Agnus Capital LLP			-	85.04
Chayadeep Ventures LLP			-	85.04
Pronomz Ventures LLP			130.63	118.00

* Includes interest accrued on loans taken

29.4 Details of borrowing costs capitalised

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	5.06	100.65
	5.06	100.65

29.5 Details of leasing arrangements

The Group's significant leasing arrangement is mainly in respect of factory building and office premises; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is ₹ 17.97 Million. (31 March 2015 - ₹ 16.14 Million).

The Group has entered into non-cancelable lease arrangement for its facilities and office premises. The said lease arrangements have an escalation clause where in lease rental is subject to an increment ranging from 6% to 10%. Details of lease commitments are given below:

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
not later than one year	5.91	6.51
later than one year and not later than five years	18.19	19.55
later than five years	118.22	122.77

29.6 Earnings per share

29.6.a Continuing operations

(₹ In Million)

Particulars	Year ended 31 March 2016 except no. of shares	Year ended 31 March 2015 except no. of shares
Net profit / (loss) for the year as per Statement of Profit and Loss from continuing operations	(221.56)	(656.86)
Less: Dividend on cumulative preference shares issued by subsidiary company outside the Group	-	0.01
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	(221.56)	(656.85)
Weighted average number of equity shares (Refer note below)	210,808,532	143,076,640
Par value per share ₹	2	2
Earnings / (Loss) per share from continuing operations - Basic and Diluted	(1.05)	(4.59)

29.6.b Total operations

(₹ In Million)

Particulars	Year ended 31 March 2016 except no. of shares	Year ended 31 March 2015 except no. of shares
Net profit / (loss) for the year as per Statement of Profit and Loss	(221.56)	(107.38)
Less: Dividend on cumulative preference shares issued by subsidiary company outside the Group	-	0.01
Net profit / (loss) for the year attributable to the equity shareholders	(221.56)	(107.37)
Weighted average number of equity shares (Refer note below)	210,808,532	143,076,640
Par value per share ₹	2	2
Earnings / (Loss) per share - Basic and Diluted	(1.05)	(0.75)

Note:

During the year, based on the shareholder's approval one equity share of ₹ 10 each is sub-dividend into 5 equity shares of ₹ 2 each with effect from February 26, 2016. Accordingly, previous year figures have been recomputed.

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29.7 a Deferred tax (liability) / asset

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Tax effect of items constituting deferred tax liability		
Depreciation	(296.07)	(189.89)
Tax effect of items constituting deferred tax liability	**(296.07)**	**(189.89)**
Tax effect of items constituting deferred tax assets		
Disallowances under Section 43B of the Income Tax Act, 1961	55.87	47.45
Unabsorbed depreciation carried forward	207.12	110.58
Others	17.92	16.61
Tax effect of items constituting deferred tax assets	**280.91**	**174.64**
Net deferred tax (liability) / asset	**(15.16)**	**(15.25)**

The Group has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

b. Movement of Deferred tax (liability) / asset

(₹ In Million)

Particulars	As at 31 March 2016	As at 31 March 2015
Opening balance	(15.25)	(1.22)
Less: Deferred tax adjusted against consolidated statement of profit /loss	-	0.64
Add: Deferred tax liability included on acquisition of subsidiary	(1.72)	(31.42)
Add: Credit for the year as per Statement of Profit / Loss	1.16	13.73
Add: Consolidation adjustment	0.65	3.02
Closing balance	**(15.16)**	**(15.25)**

29.8 Details of research and development expenditure

A. Revenue expenditure

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Employee benefits expense	29.88	31.29
Power, water and fuel	5.10	7.28
Legal and professional fees	1.81	-
Consumables	13.92	23.22
Travelling and conveyance	0.82	0.39
Analytical charges	36.71	32.50
Others	0.32	2.19
TOTAL	**88.56**	**96.87**

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. Capital expenditure

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Capital equipments	2.41	-
TOTAL	**2.41**	**-**

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

29.9 Intangible Assets/ Intangible Assets under development:

a. During the year, the following development expenditure have been transferred to Intangible assets / intangible assets under development from the Statement of Profit and Loss:

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Employee benefits expense	6.42	11.25
Power, water and fuel	1.75	3.36
Legal and professional fees	0.42	-
Raw material and consumables	41.54	34.09
Travelling and conveyance expenses	0.19	0.15
Analytical charges	8.03	10.41
Depreciation	1.84	2.27
Others	0.57	1.27
Sale of validation batches	(33.29)	(9.46)
TOTAL	**27.47**	**53.34**

b. Movement of Intangible assets under development:

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Opening balance	23.16	40.15
Add: Development expenses as per Note 29.9(a) above	27.47	53.34
Add: Consolidation adjustment	61.38	8.83
Less: Transfer on sale of Speciality Chemicals Division	-	5.90
Less: Transfer to gross block	94.27	73.26
TOTAL	**17.74**	**23.16**

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29.10 Discontinued operations

a. During the previous year, pursuant to the approval of the Shareholders and other authorities as required, the Group had transferred the Specialty Chemicals Division to Songwon Specialty Chemicals-India Private Limited on a slump sale basis with effect from the close of business on 31 July 2014 for a consideration of ₹ 1,068.46 Million (net of expenses). The Specialty Chemicals Division was reported as part of the Specialty Chemicals segment of the Group. The net profit on above sale of ₹ 551.42 Million for the previous year was included under gain on disposal of assets/ settlement of liabilities attributable to the discontinuing operations.

The results of the discontinued business during the previous year until discontinuation were as under:

(₹ In Million)

Particulars	Year ended 31 March 2016			Year ended 31 March 2015		
Profit / (Loss) from ordinary activities	Continuing Operations	Discontinued Operations	TOTAL	Continuing Operations	Discontinued Operations	Total
Sale of products	-	-	-	4,256.45	220.62	4,477.07
Sale of Services	-	-	-	105.87	-	105.87
Other operating revenue	-	-	-	69.91	0.79	70.70
Other income	-	-	-	99.57	0.01	99.58
Total revenue (A)	-	-	-	**4,531.80**	**221.42**	**4,753.22**
Cost of materials consumed	-	-	-	1,990.78	63.54	2,054.32
Purchases of stock-in-trade	-	-	-	239.35	-	239.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	26.70	91.12	117.82
Employee benefits expense	-	-	-	611.07	12.84	623.91
Finance costs	-	-	-	429.81	13.89	443.70
Depreciation and amortisation expense	-	-	-	317.49	11.86	329.35
Other expenses	-	-	-	1,383.15	30.11	1,413.26
Total expenses (B)	-	-	-	**4,998.35**	**223.36**	**5,221.71**
Profit / (Loss) before tax from ordinary activities (A-B)	-	-	-	**(466.55)**	**(1.94)**	**(468.49)**
Exceptional Items	-	-	-	(166.64)	-	(166.64)
Gain on disposal of assets/settlement of liabilities attributable to the discontinuing operations	-	-	-	-	551.42	551.42
Profit / (Loss) before tax after exceptional items	-	-	-	**(633.19)**	**549.48**	**(83.71)**
Tax expense	-	-	-	**33.90**	**-**	**33.90**
Profit / (Loss) after tax before Minority interest	-	-	-	**(667.09)**	**549.48**	**(117.61)**
Carrying amount of assets as at the Balance Sheet date relating to the discontinued business to be disposed off	-	-	-	-	-	-
Carrying amount of liabilities as at the Balance Sheet date relating to the discontinued business to be settled	-	-	-	-	-	-
Net cash flow attributable to the discontinued operations						
Cash flows from operating activities					228.19	
Cash flows from investing activities					326.22	
Cash flows from financing activities					(555.54)	

30 DISCLOSURES ON EMPLOYEE SHARE BASED PAYMENTS

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

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

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

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

The vesting period of these options range over a period of 1 to 4 years. The options may be exercised within a period of 1 to 4 years from the date of vesting.

c) Employee Stock Options details as on the Balance Sheet date are as follows:

Particulars	Year ended 31 March 2016 Options (Numbers)	Year ended 31 March 2015 Options (Numbers)
Option outstanding at the beginning of the year	772,500	570,000
Granted during the year	100,000	380,000
Vested during the year	212,500	142,500
Exercised during the year	118,500	117,500
Forfeited during the year	45,000	60,000
Options outstanding at the end of the year	709,000	772,500
Options available for grant	955,000	1,010,000
Range of exercise price for options outstanding at the end of the year	₹ 10 to ₹ 87 per Option	₹ 50 to ₹ 80 per Option

Weighted average remaining contractual life for options outstanding as at 31 March 2016 is 3.21 years (31 March 2015 - 3.86 years) and weighted average exercise price per option as at 31 March 2016 is ₹ 24.08 (31 March 2015 - ₹ 65).

Note (i)

After subdivision of shares, one option of ₹ 10 is equivalent to 5 options of ₹ 2 each. Accordingly, options outstanding at the end of the year is 3,545,000 and options available for grant is 4,775,000.

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

(₹ In Million)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Net Profit / (loss) (as reported)	(221.56)	(107.38)
Add / (Less): stock based employee compensation (intrinsic value)	56.05	44.57
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (e) below)	(131.47)	(126.86)
Net Profit / (loss) (proforma)	(296.98)	(189.67)
Basic earnings per share (as reported)	(1.05)	(0.75)
Basic earnings per share (proforma)	(1.41)	(1.33)
Diluted earnings per share (as reported)	(1.05)	(0.75)
Diluted earnings per share (proforma)	(1.41)	(1.33)

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

(₹ In Million)

Assumptions	31 March 2016	31 March 2015
Risk Free Interest Rate	7.45%	7.74%
Expected Life	4 years	4 years
Expected Annual Volatility of Shares	56.76%	54.18%
Expected Dividend Yield	NIL	NIL

31 During the previous year, the Group purchased the manufacturing fixed assets and business of Arvee Synthesis Private Limited on a slump sale basis for a total consideration of ₹ 262.50 million. The Group incurred ₹ 5.39 Million towards stamp duty and registration of land and building.

32 During the year, the Group purchased the Animal healthcare business of Lyka Exports Limited on a slump sale basis for a total consideration of ₹ 326.57 million. The details of assets and liabilities taken over are given below:

Particulars	₹ in Million
Goodwill	97.85
Tangible fixed assets	1.37
Intangible assets	221.10
Trade receivables	69.07
Inventories	18.97
Long term loans and advances	4.71
Long term deposits	2.76
Other current assets	0.32
Other current liabilities	(10.06)
Long-term provisions	(15.52)
Trade payables	(64.00)
TOTAL	**326.57**

33 a) **During the year following assets and liabilities were acquired due to acquisition of new subsidiaries:**

(₹ In Million)

Particulars	Fendigo SA	Fendigo BV	N-Vet AB	Topkim	IPC
Current assets	173.22	21.88	105.56	354.86	357.31
Current liabilities	(130.13)	(7.67)	(22.04)	(246.68)	(397.21)
Fixed assets	0.14	0.12	-	125.50	309.30
Other non current assets	0.01	-	-	14.05	5.30
Other non current liabilities	-	-	-	(82.36)	(222.24)
TOTAL	**43.23**	**14.33**	**83.52**	**165.37**	**52.45**

b) **During the previous year, following assets and liabilities were acquired due to acquisition of Provet Veteriner Ürünleri San. ve Tic. A.S., Turkey**

Particulars	₹ in Million
Current assets	375.12
Current liabilities	(119.18)
Fixed assets	270.95
Other non current assets	39.89
Other non current liabilities	(31.42)
TOTAL	**535.36**

34 **TRANSFER PRICING**

In respect of Transfer pricing regulations under Section 92 to 92F of the Indian Income Tax Act, 1961, the Management confirms that its International Transactions and Specified Domestic Transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Disclosure made under Note 29 to 32 reflects combined items pertaining to continuing and discontinuing operations.

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

Manish Gupta
Managing Director &
Chief Executive Officer

Dr. Gautam Kumar Das
Joint Managing Director

P R Kannan
Chief Financial Officer

Preetham Hebbar
Company Secretary

Bengaluru, May 14, 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dr. Gopakumar G Nair
Chairman and Independent Director

Mr. Manish Gupta
Managing Director

Dr. Gautam Kumar Das
Joint Managing Director

Dr. Kausalya Santhanam
Independent Director

Mr. Narendra Mairpady
Independent Director

Dr. S Devendra
Non-Executive Director

Mr. K E C Rajakumar
Non-Executive Director

CHIEF FINANCIAL OFFICER
Kannan Pudhucode Radhakrishnan

COMPANY SECRETARY
Preetham Hebbar

REGISTERED OFFICE
301, 3rd Floor, Dosti Pinnacle,
Plot No. E7, Road No.22
Wagle Industrial Estate
Thane (W) - 400 604,
Maharashtra

STATUTORY AUDITORS
M/s. Deloitte Haskins and Sells
Anchorage 2, 100/2,
Richmond Road
Bengaluru – 560 025, Karnataka

BANKERS
1. Export Import Bank of India, India
2. RBL Bank Limited, India
3. Housing Development Finance Corporation Limited, India
4. Yes Bank, India
5. KBC Bank NV, Belgium
6. Türkiye Halk Bankası A., Turkey
7. Akbank T.A., Turkey
8. Ziraat Bankası A., Turkey

REGISTRAR & SHARE TRANSFER AGENT
Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate, 1st Floor
Makhwana Road,
Marol Naka, Andheri (E)
Mumbai – 400 059, Maharashtra

GLOBAL FACILITIES
SeQuent Scientific Limited, India:
- Plot Nos. 120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore, Karnataka, India
- Plot Nos. B-32, G-2, G-3, MIDC, Mahad Dist. Raigad. Maharashtra, India
- Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar Dist. Thane, Maharashtra, India
- Plot Nos. 253 & 254, Thandya, Industrial Area, Thandavapura, Mysore, Karnataka, India
- Plot Nos. 7 & 8, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath, Maharashtra, India

Alivira Animal Health Limited, India:
- Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam, Andhra Pradesh, India
- Plot Nos. A-68, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra, India

SeQuent Research Limited, India:
- Plot Nos. 120A & B, Industrial Area, Baikampady, New Mangalore - 575 011, Karnataka, India
- Plot No. 11, KIDAB Industrial Area, Phase I, Jigani, Anekal Tq, Bengaluru – 560 105, Karnataka, India

Provet Veteriner Ürünleri San. ve Tic. A. S. , Turkey:
Polatlı Organize Sanayi Bölgesi
210., Cad de no:7 Polatlı/ Ankara, Turkey

Indo Phyto Chemicals Private Limited, India:
Village-Shakanpur
(Via Kashipur), P.O. Pirumandara
– 244 715 Tehsil – Ramnagar,
Nanithal Dist, Uttarakhand, India

Formulations Plant
Plot No. 14-16, 55-57, Sec-5,
IIE Pantnagar, Rudrapur-263153
Uttarakhand - India

Karizoo, Spain
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(Barcelona) Spain

Interchange, Brazil
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