Proven Ability In Life Sciences

More than Pharma

Six reasons why SeQuent blends the best of the pharmaceutical and consumer industry worlds

SeQuent Scientific Limited

ANNUAL REPORT 2017-18

Welcome to SeQuent

SeQuent Scientific Limited herein referred to as 'SeQuent'

SeQuent is India's first integrated, global animal health company with an annual revenue run-rate of US$ 150 million. It offers API, branded generic formulations and analytical services. We have manufacturing presence in 5 countries, marketing presence in over 100 nations and employ 1,000+ people. Over the past four years, we have invested more than US$ 80 million in our business, strengthening our R&D and manufacturing capabilities, and building market presence through our differentiated portfolio.

FY 2017–18 highlights

₹8,494 mn
Revenue
↑ 23.3%

₹871 mn
EBITDA
↑ 50.6%

₹102 mn
Profit After Tax

10%
Dividend paid

↑ Growth over FY 2016–17

Report contents

BUSINESS REVIEW

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FINANCIAL STATEMENTS

At a macro level, the core characteristics and industry dynamics of human and animal health businesses appear to be similar. A broad understanding also suggests that most of the Indian pharmaceutical companies have been successful with their strong R&D focus and significant cost competencies.

The animal health sector, though a subset of the industry, has its unique characteristics. It carries an extensive portion of human pharmaceutical attributes, and at the same time, a significant part of its features mirror the consumer goods play.

The limited role of patent regime and reduced R&D pressure, coupled with no pricing caps and differentiated talent pool, allows the animal health space to carve company-specific advantages which ensure better, sustainable margins and valuation.

At Sequent, we are building this niche by playing these distinct characteristics to our favour.

With global presence, strong marketing footprint, a unique business model and differentiated products through our R&D expertise, we are converging the best of pharmaceutical and consumer goods worlds – offering ahead-of-the curve solutions in animal health and being more than pharma.

At SeQuent, our business model is one-of-a-kind…

Here are **6** *reasons why*

1

We create and grow brands

The animal health sector, being a branded generics market, offers promising opportunities for creating brands with dedicated sales and marketing teams in the target geographies. We have developed Alivira into an integrated global animal health company with a focus on creating a large number of high-quality, trusted brands with unique propositions.

500+

Finished Dosage Formulations (FDFs) across 12 dosage forms

FDF pipeline

35+

API pipeline

14+

2

Larger, more complex product portfolio

Animal healthcare is more expansive in scope than human health as it covers a large variety of species (with several subspecies). The health concerns of these species are complex and require different products for treatment and cure. Moreover, unlike human health, this sector faces a shortage of talent and reliable market data. SeQuent is equipped to address these challenges with a comprehensive product portfolio and extensive industry knowledge.

Top 10
Global animal health players work with us

100+
Countries with marketing presence

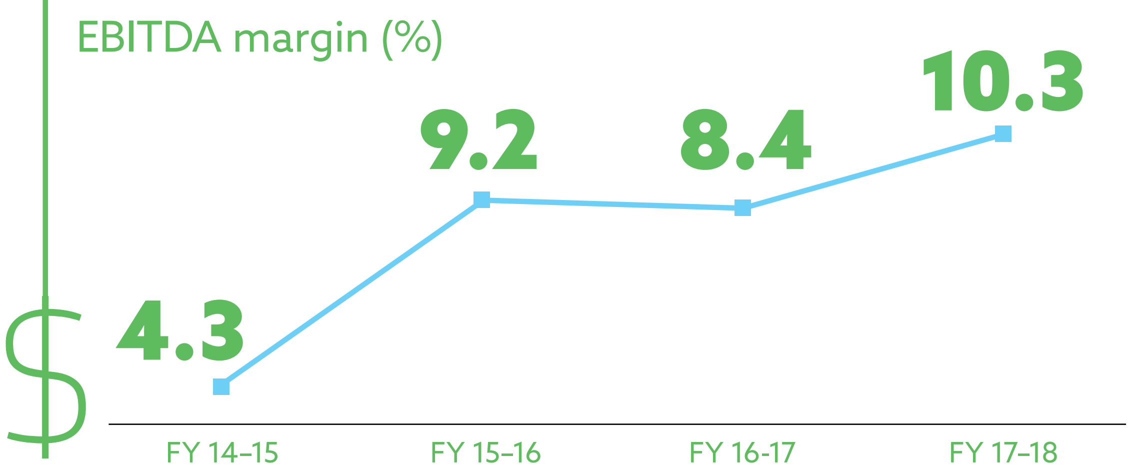
23
Commercial APIs

3 *Independent and robust supply chain*

Supply chains for animal health and human pharma have historically been common. Breaking from this trend, we have set up a dedicated supply chain that is more aligned to the animal health market we operate in and bring in an element of differentiation to meet customer needs.

4 Pricing without regulatory pinch

The pharmaceutical industry is bound by pricing regulation, influenced by governments or insurance companies. These pricing pressures mount further when a product loses patent protection. The animal health industry is free from these constraints, which allows us to value our products in line with demand. At SeQuent, we are adapting to the evolving consumer needs with differentiated products, while creating value for our stakeholders.



FY 2014-15 and FY 2015-16 includes human API business

ALIVIRA

5 Shielded from market fluctuations

The pharmaceutical landscape is impacted by several headwinds such as growing cost pressures and government policies. These dynamics are less pronounced in the animal health sector, ensuring a more stable operating environment with sustained revenue trajectory. At SeQuent, we are leveraging this stable environment for long-term value creation.

3.8X

Growth of SeQuent's animal health business in last 4 years

1.2X

Growth of animal health market in the last 4 years

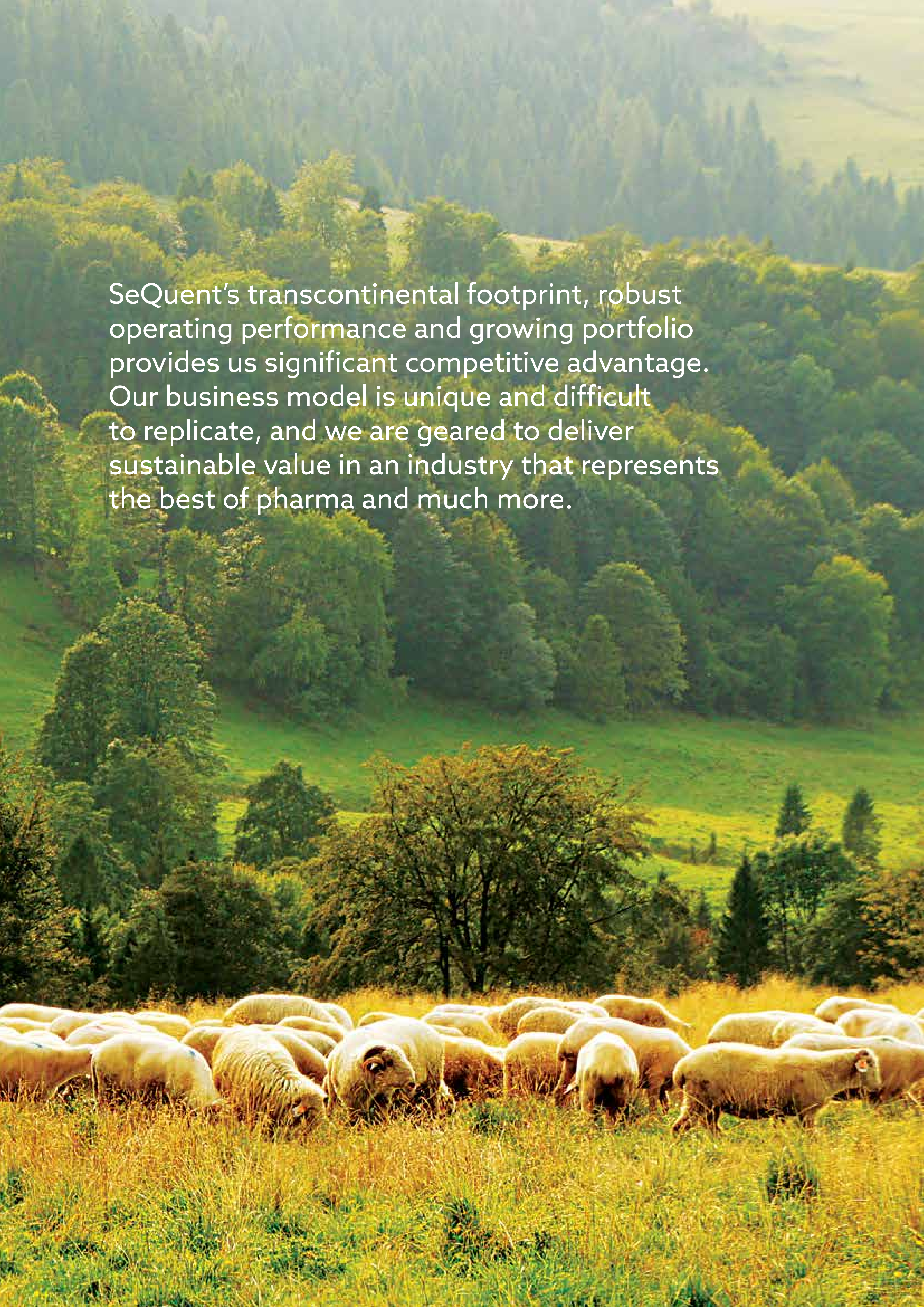
1,000+

Global team

6

Driven by knowledge play

Our product differentiation allows us to target niche segments with high returns. Our market calibrated strategies focus on organic and inorganic growth opportunities. In the last four years, we have completed nine strategic acquisitions across Europe, Turkey and LATAM to create a strong global management team and enhance our front-end presence in key markets. Alivira's strict adherence to high standards of quality and compliance reinforce our global standing in the animal health domain.



SeQuent's transcontinental footprint, robust operating performance and growing portfolio provides us significant competitive advantage. Our business model is unique and difficult to replicate, and we are geared to deliver sustainable value in an industry that represents the best of pharma and much more.

ALIVIRA

A global animal health company

At SeQuent, we are inspired to make a real difference to the animal health sector. Alivira, our wholly owned subsidiary, has emerged as India's largest animal health company. We have seven manufacturing facilities based in India, Spain, Germany, Brazil and Turkey with approvals from global regulatory bodies, including the USFDA and EUGMP, among others.

We are consistently deepening knowhow and expanding our front-end footprint to drive seamless growth. Organic and inorganic expansion continues to be our focus area.

At the same time, integration, cross-leveraging and aggressive R&D in API and formulations remain the cornerstone of our progress. We have a strong global team of 1,000+ employees who are delivering on our growth strategy.

Our API facility at Vizag is India's first and only USFDA-approved facility for animal health APIs.

We are driven by

Vision

To be a leading integrated animal health company committed to quality veterinary solutions globally

Mission

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

Values

- Adaptability
- Collaboration
- Continuous Improvement
- Integrity
- Accountability

Enablers

- Execution excellence driving enduring partnerships
- Addressing global animal health challenges
- High-quality benchmarks
- Knowledge-driven product portfolio
- Global management team

Our scope of operations

Formulations

- Focus on global livestock market with a combination of organic and inorganic strategy to accelerate expansion
- Strong presence in Europe, Latin America, Turkey, India, Africa and the Southeast Asia markets
- Recent foray into France and Ukraine
- Global R&D expertise with localised manufacturing capabilities in select geographies
- Formulations contributed around 3/4th of sales in FY 2017-18

Active Pharmaceutical Ingredient (API)

- Wide range of products, predominantly in Anthelmintics and emerging Nonsteroidal Anti-Inflammatory Drug (NSAID) portfolio
- Long established relationship including global Top 10 veterinary companies
- API contributed around 1/4th of sales in FY 2017-18

Analytical Services

- Two state-of-the-art analytical laboratories located at Bengaluru and Mangalore with wide-ranging capabilities inclusive of high-end instrumentation conforming to 21 CFR

Key therapies

- Nonsteroidal anti-inflammatory drugs (NSAIDs)
- Antibiotics
- Anthelmintics
- Vitamins
- Prostaglandins
- Hormonal

Major dosage forms

- Oral solutions/ suspensions
- Injectable solutions/ suspensions
- Intramammaries
- Pour-on/ Spot-on
- Aerosols
- Powders
- Paste

FY 2017-18 in retrospect

Corporate

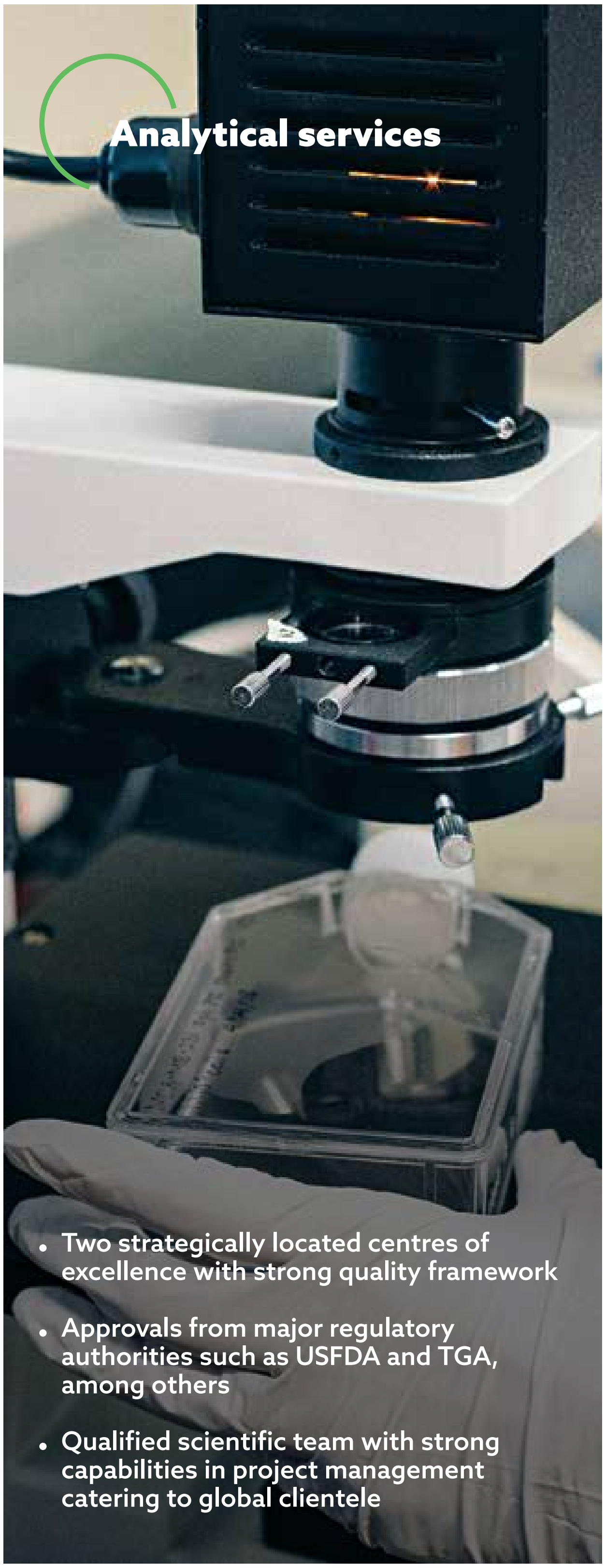
- Sharpened focus on Animal Health space
  - Demerged the Human API Business into Solara Active Pharma Sciences Limited
  - Completed divestment of NAARI business (Women's health)
- Operating leverage, driven by successful integration across acquisitions
- Strengthened R&D pipeline across API and FDFs
- Paid dividend of 10% to shareholders

Formulations

- Established presence in France, the largest EU market
- Acquired Bremer Pharma (Germany) in April 2018, will boost injectable pipeline in the EU
- Pet division launched in India
- Filed 4 products in EU and 14 in emerging markets resulting in 113 product registrations in EU and 141 in emerging markets

API

- EIR received for USFDA inspection at Vizag, the only USFDA-approved animal health API facility in India
- 12 API filings in the US – highest by any generics players; 10 CEP filings
- First commercial API sale in the US
- Global Top 10 animal health companies contributed to 50% of sales



Analytical services

- Two strategically located centres of excellence with strong quality framework
- Approvals from major regulatory authorities such as USFDA and TGA, among others
- Qualified scientific team with strong capabilities in project management catering to global clientele

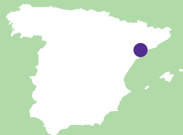
Firm footprint across major markets

We have seven state-of-the-art manufacturing facilities in India, Germany, Turkey, Spain and Brazil with all major regulatory approvals. We are rapidly expanding market reach, with robust growth strategies. We are present in 100+ counties with a strong product portfolio of APIs and formulations.

1 Vizag, India

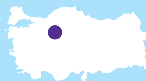
- **Approvals:** USFDA and EUGMP
- **Capabilities:** API facility with reactor capacity of 225 KL with six clean rooms

2 Barcelona, Spain



- **Approvals:** EUGMP
- **Capabilities:** Liquids - oral solutions/suspension and solids (powders) – beta-lactam and non-beta lactam antibiotics. Specialises in nutrition products - veterinary premixes

3 Polatli, Turkey

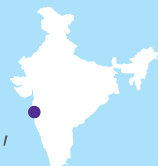


- **Approvals:** EUGMP and Turkish GMP
- **Capabilities:** Beta-lactam and non-beta lactam injectable solutions/ suspensions, intra-mammaries, oral solutions/ suspensions, aerosol and pour-on, spot-on

4 Tarapur, India

- **Approvals:** cGMP
- **Capabilities:** API intermediates facility with reactor capacity of 64 KL with two clean rooms

5 Ambernath, India

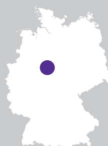


- **Approvals:** India, Uganda, Ethiopia and Kenya
- **Capabilities:** Granules for injections and oral liquids

6 Campinas, Brazil

- **Approvals:** MAPA (Ministry of Agriculture)
- **Capabilities:** Oral solutions, oral powders and drug premixes

7 Warburg, Germany



- **Approvals:** EUGMP
- **Capabilities:** Sterile injectable including beta-lactam and hormones, oral liquids and oral powders
- Acquired in April 2018

Geographic footprint

1	Albania
2	Algeria
3	Argentina
4	Australia
5	Austria
6	Azerbaijan
7	Bahrain
8	Bangladesh
9	Barbados
10	Belarus
11	Belgium
12	Brazil
13	Bulgaria
14	Cameroon
15	Chad
16	Chile
17	China
18	Colombia
19	Costa Rica
20	Croatia
21	Cuba
22	Cyprus

23	Czech Republic
24	Denmark
25	Dominica
26	Ecuador
27	Egypt
28	Eritrea
29	Estonia
30	Ethiopia
31	Finland
32	France
33	Germany
34	Ghana
35	Greece
36	Guatemala
37	Honduras
38	Hungary
39	India
40	Indonesia
41	Iran
42	Iraq
43	Ireland

44	Israel
45	Italy
46	Ivory coast
47	Jamaica
48	Japan
49	Jordan
50	Kenya
51	Korea
52	Kuwait
53	Latvia
54	Libya
55	Lithuania
56	Mali
57	Mauritius
58	Mexico
59	Mongolia
60	Morocco
61	Myanmar
62	Netherlands
63	New Zealand
64	Nigeria
65	Oman

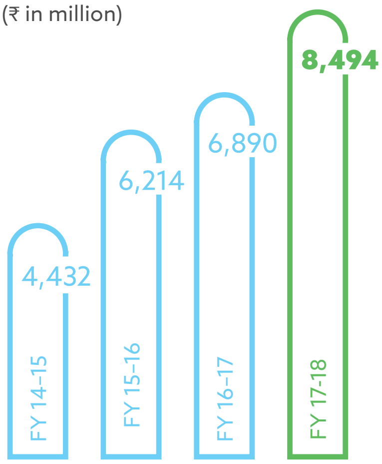
66	Pakistan
67	Panama
68	Paraguay
69	Peru
70	Philippines
71	Poland
72	Portugal
73	Qatar
74	Romania
75	Russia
76	Rwanda
77	Saudi Arabia
78	Senegal
79	Singapore
80	Slovak
81	Somalia
82	South Africa
83	Spain
84	Sri Lanka
85	Sudan
86	Sweden
87	Switzerland

88	Syria
89	Taiwan
90	Thailand
91	Togo
92	Turkey
93	UAE
94	Uganda
95	Ukraine
96	United Kingdom
97	United States of America
98	Uruguay
99	Venezuela
100	Vietnam
101	Yemen
102	Zambia
103	Zimbabwe

Financial performance

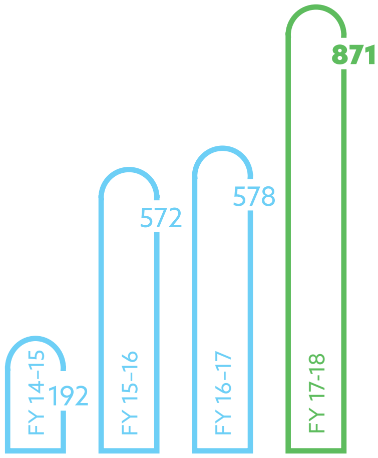
Revenue from operations

(₹ in million)



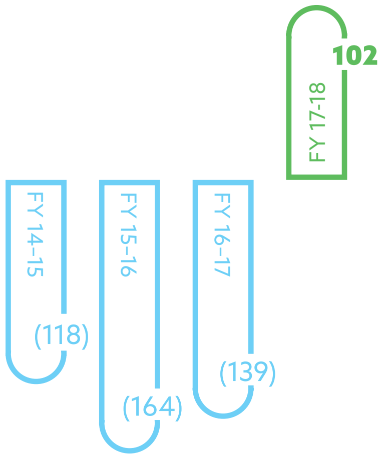
EBITDA

(₹ in million)



Profit after tax

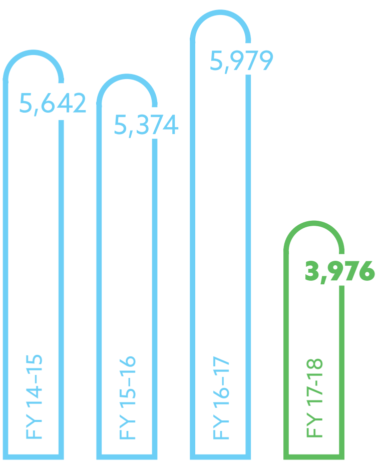
(₹ in million)



FY 2014-15 and FY 2015-16 financials includes human API business
FY 2014-15 as per Indian GAAP and FY 2015-16 onwards as per Ind AS

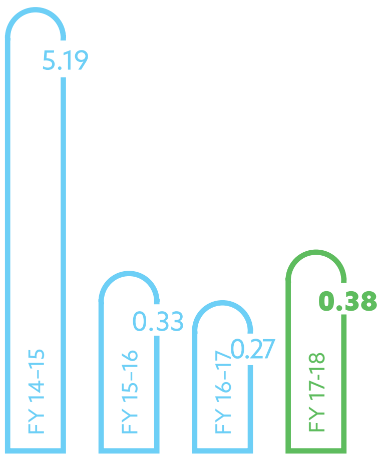
Gross Block + CWIP

(₹ in million)



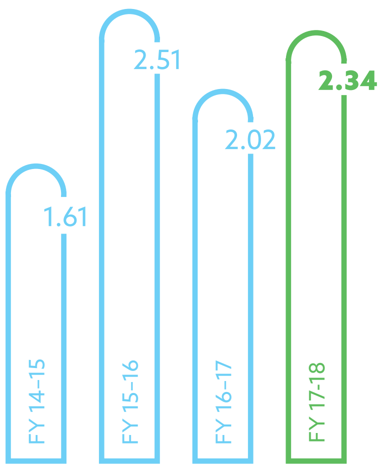
Net debt to equity

Ratio



Current ratio

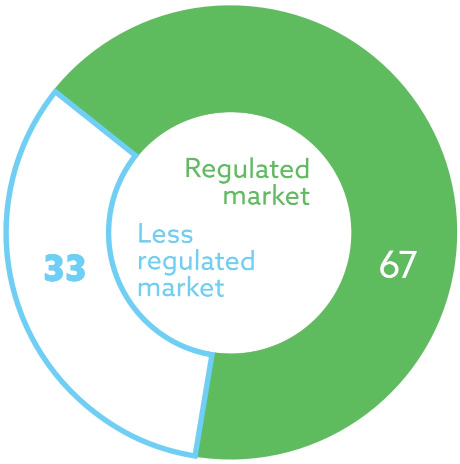
Ratio



FY 2014-15, FY 2015-16 and FY 2016-17 financials are including human API business
FY 2014-15 as per Indian GAAP and FY 2015-16 onwards as per Ind AS

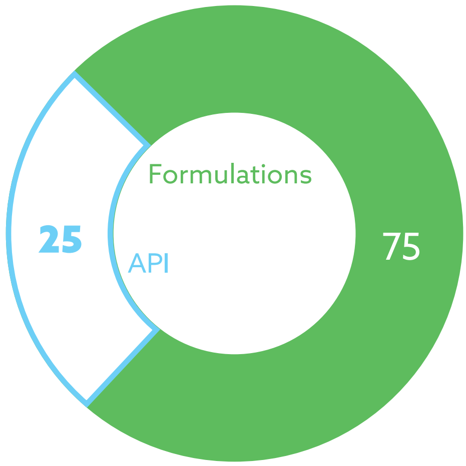
Revenue by market*

(%)



Revenue by business*

(%)

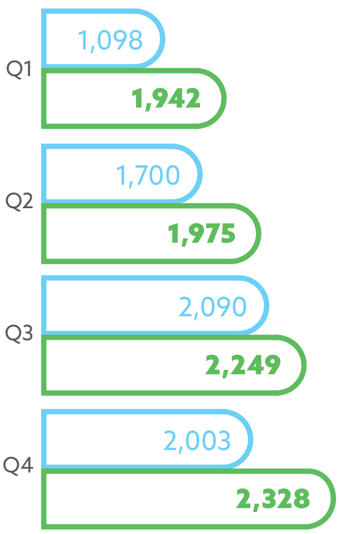


*In FY 2017-18

Steady quarter-on-quarter performance

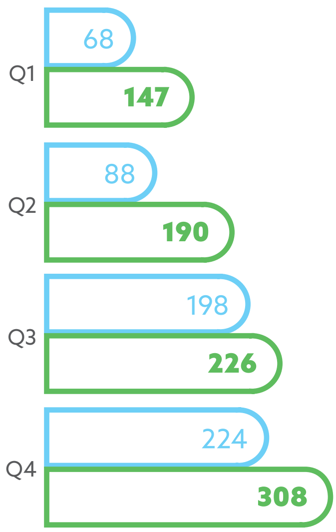
Revenue from operations

(₹ in million)



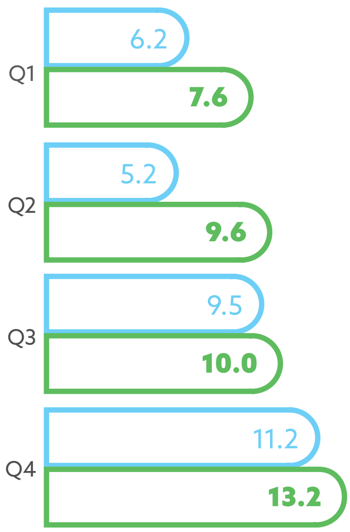
EBITDA

(₹ in million)



EBITDA margins

(%)



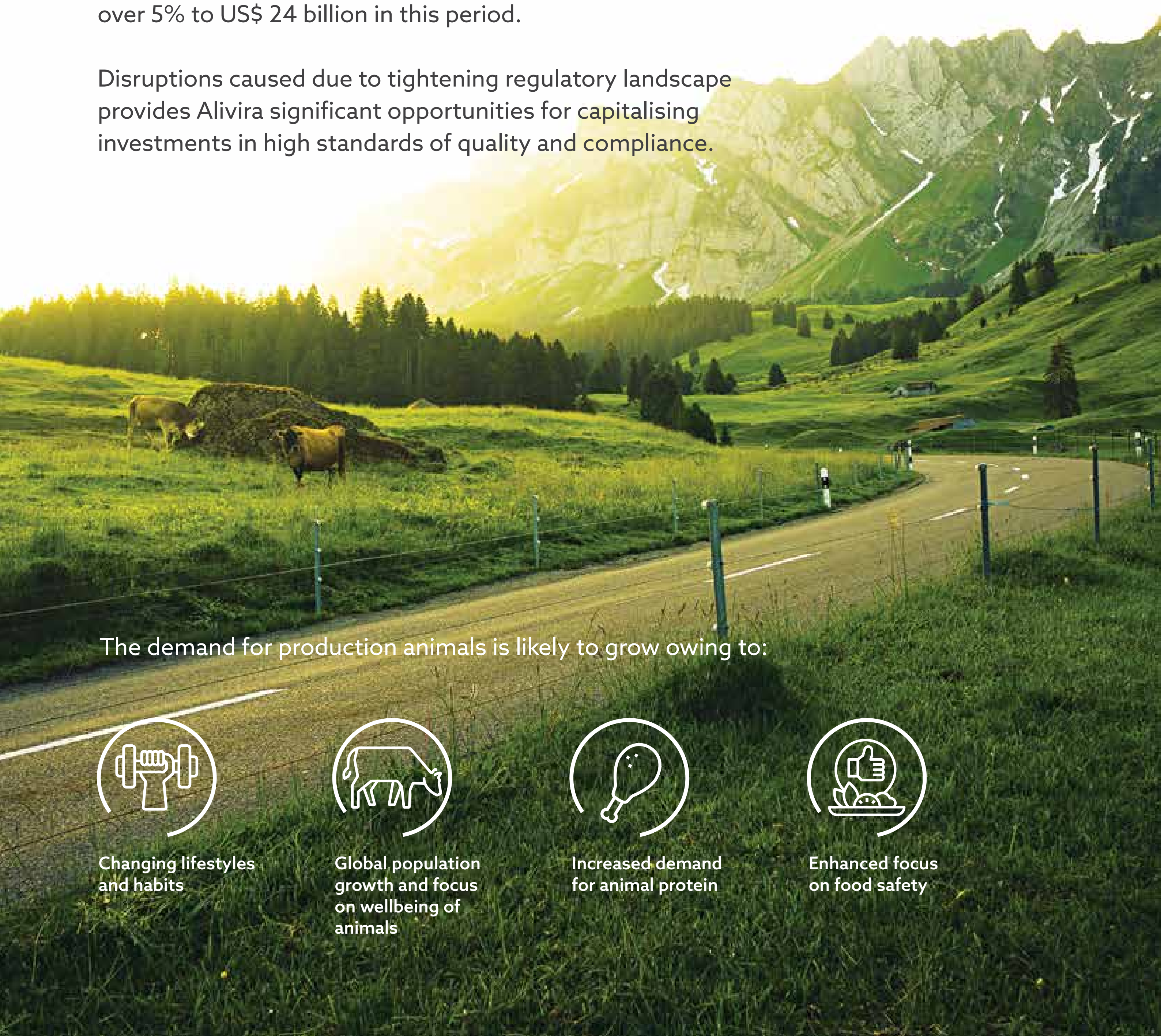
FY 16-17 FY 17-18

Aiming to be among global Top 10 animal health companies by 2022

Attractive industry dynamics

The animal health industry is likely to grow at CAGR of ~6% to US$ 40 billion by 2022. The production animal segment which has the largest share, is projected to grow by over 5% to US$ 24 billion in this period.

Disruptions caused due to tightening regulatory landscape provides Alivira significant opportunities for capitalising investments in high standards of quality and compliance.



The demand for production animals is likely to grow owing to:

- Changing lifestyles and habits
- Global population growth and focus on wellbeing of animals
- Increased demand for animal protein
- Enhanced focus on food safety

Strategy framework

Staying ahead of the curve

- Cutting-edge resources to be amongst leaders in a transforming industry
- Sharpening expertise and local knowhow to stay ahead in a dynamic operating environment

Connected to the last mile

- Global relationship driven front-end for last mile partnership
- Customer engagement to grow wallet share with existing customers
- Region-specific portfolio/strategy

Innovation to cater global unmet demand

- Customised smart programmes with focus on API and formulations
- Aligning R&D by leveraging local knowledge
- Expanding to phyto-solutions, probiotic products and technical offerings

Expanding global footprint

- Establish presence in key markets of the US and Australia - New Zealand
- Further presence in key markets of France, UK and Italy in EU
- Opportunistic approval for other markets

Intrinsic capabilities

Diversified and global

- Scale and knowledge depth with diversified R&D and manufacturing base globally
- Strong presence across Europe, LATAM, Turkey, India, Africa and Southeast Asia
- Recent foray into France, Ukraine and Germany
- Global leadership team with cross-border depth of knowledge and business relationships

Efficient operations

- Strong operating performance with asset sweating and robust margins
- Driving asset-light business strategies
- Robust free cash flow generation to invest for the future

Compliance as competitive advantage

- Industry defining standards of quality and compliance
- Robust governance
- Proactive environment, health and safety (EHS) initiatives for API Business

Comprehensive offerings

- Comprehensive portfolio covering feeds, nutritional and therapeutic classes
- Addresses multitude of species across therapy classes
- Possess a wide range of dosage forms including injectables, powders, granules, solutions, suspensions and topicals

Strategic market entry through acquisitions

Our inorganic strategy has enabled us to establish presence across key markets, improve knowledge and strengthen management teams across geographies.

Acquired entities and markets

Provet/Topkim (Turkey)	Karizoo (Spain and Mexico)	Evance (Brazil)	N-VET/Fendigo (EU)	Lyka (India)
Capabilities and domain				
• Presence in Turkey and neighbouring markets • Manufacturing base	• Presence in 15 key EU countries and Mexico • Manufacturing base	• Presence in Brazil • Manufacturing base	• Presence in four key EU markets	• Front end presence in India
120+ Registered products	**150+** Registered products	**25+** Registered products	**150+** Registered products	**20+** Registered products
Value proposition for SeQuent				
• Access to key market of Turkey • Comprehensive manufacturing with eight lines including injectables • EUGMP and Turkish GMP approved	• Access to Spain and 15 key EU markets • Manufacturing of Oral liquids, beta-lactum and non beta-lactum antibiotics • EUGMP and FAMIQS approved	• Access to key market of Brazil • Manufacturing of antibiotics and antibacterial • MAPA approved	• Access to key markets and relationships with Belgium, Netherlands, Luxembourg and Sweden • Well established distribution relationship with 27 companies Europe	• Strong cattle portfolio • Well established brands with legacy of more than 25 years

Growing prominence in EU

We acquired Bremer Pharma, a niche animal health company in Germany with focus on cattle and swine segments. Bremer has a portfolio of 400+ registrations (vitamins, antibiotics and hormones) across Europe, Far East, MENA, Russia and Africa.

Bremer comes with an EUGMP-compliant injectable manufacturing facility with approval from German Competent Authority LANUV.

This acquisition provides us with a beta-lactam and non-beta lactam injectables facility for EU markets, which compliments our oral solutions and powders beta-lactam and non-beta lactam facility based at Barcelona in Spain. With both these facilities, we reinforce our position in the EU, our largest market.

ALIVIRA

Managing Director's perspective

"The pure-play animal health business has huge strategic value."

Dear Shareholder,
It is with great pleasure that I present to you SeQuent's Annual Report for the first time, as India's largest pure-play animal health company. I will like to take a step back and review the journey that we have undertaken to become what we are today.

We are in the fourth year of our strategy of creating a valuable business in the space of animal health. In this short span of time, Alivira has emerged as the largest and the first global Indian animal health company with annual revenue of US$ 150 million. In these four years, we have successfully transitioned from India-centric operations to global outreach, from being an API-led business to a formulation-led business. We are now following a regulated, market-driven strategy as well. We have completed and integrated nine strategic acquisitions globally and are proud to have built the first and the only USFDA-approved animal health API plant in India.

We have the largest API filings in the US among all generic companies globally, which puts us in a strong position in the dramatically changing dynamics in the API business. Over 90% of our revenues come from outside India, and we have manufacturing operations in Spain, Brazil, Germany and Turkey apart from India. Our major R&D initiative is carried out in India and Spain. We have a well-crafted R&D pipeline, based on the depth and spread of our experience in the segment. This shall provide us a significant edge in the coming years, as the sector is plagued by lack of industry intelligence, impacting growth strategies.

"We are in the fourth year of our strategy of creating a valuable business in the space of animal health; and have emerged as the largest and the first global Indian animal health company with an annual revenue of US$ 150 million."

To put the matter in perspective, SeQuent was about ₹4,200 million business in 2014 with animal health business less than ₹2,000 million. We then decided to concentrate our energies on animal health, a small niche area of global pharma business characterised by limited Indian competition and a tightening regulatory environment.

This transformation was led by the understanding that while the Indian pharmaceutical industry has made a mark globally with a well-oiled R&D engine, manufacturing cost arbitrage and a large talent pool, these advantages were not unique but common to the sector as a whole. The animal health industry, on the other hand, being a branded generics market with fewer patents and limited pricing pressures, allows for creating strong differentiators through strategic sales and marketing while benefiting from regulatory barriers to entry. Therefore not surprisingly, the animal health industry enjoys better sustainable margins and thereby better valuation, globally.

To begin with, we subsidiarised our animal health business and gave it a new and distinct identity, Alivira. We also retained the human API business as we could foresee the changing dynamics around this industry, and all other businesses were either divested or closed-down. Having scaled up our human API business, and with the changing dynamics beginning to play out, we recently demerged our human API business to create a distinct and large human API business of Solara Active Pharma Sciences, which got listed separately. We are enthused by the future prospects of Solara and we believe that you as shareholders shall reap great benefits in the times to come.

Animal health business is a lot about building brands. In that respect, it is similar to the FMCG business. Keeping this in view, we first focused on building last-mile connectivity through a series of strategic acquisitions. Each of these acquisitions reinforced our market presence and also helped strengthen our management team. Our first acquisition was in 2015, since then we have made a series of well strategised acquisitions, including the latest one in Germany (Bremer), which adds injectables to our portfolio.

These acquisitions created a footprint for Alivira in the European Union market as well as the key markets of Mexico and Brazil. This strategy has helped us establish a strong formulations business with presence in key markets of Europe, Latin America, India, Turkey and parts of Africa and Southeast Asia. Today, we sell our products in over 100 countries.

We are now moving into the next phase of value creation, which will be driven by our expanding R&D pipeline in FDFs. We are working on a portfolio of over 35 products at this stage, which has been bolstered by our recent acquisition of Bremer, enabling us to execute a comprehensive injectable strategy. We have established strong R&D capabilities in India and Spain, aided by ancillary R&D centres in Turkey and Brazil. This is further supported by our manufacturing footprint in Turkey, Brazil and Germany, apart from India and Spain.

Our global teams have played a pivotal role in our progress and evolution. Their experience and expertise remain the cornerstone of our success. Our teams bring on board relentless focus on execution and have been steadily improving our operational performance over last few years. We still have a long way to go, but I strongly believe that we have laid a robust foundation and are well-poised to achieve our vision.

In our first year as a pure-play animal health company, I take this opportunity to thank our growing fraternity of customers, business partners, shareholders and regulators for their continued support and conviction in our ability to deliver now and in the coming years.

The pure-play animal health business has huge strategic value and we are inspired to make the most of unfolding opportunities.

Warm regards

Manish

Q&A with the Chief Financial Officer

"We delivered a stellar improvement in our annual performance, which was supported by an upturn in operational metrics, traction across geographies and integration of our acquisitions."

During the FY 2017-18, in line with our strategy to emerge as India's largest and first pure-play animal health company with an annual run-rate of US$ 150 million, we successfully demerged our Human API business into a separately listed entity, details of which are available in subsequent pages. From a continuing business point of view, we reported a net profit of ₹102 million against a loss of ₹139 million during the previous fiscal. We delivered a stellar improvement in our annual performance, which was supported by an upturn in operational metrics, traction across geographies and the integration of our acquisitions.

It has been an exciting year for us. There were several developments including the milestone of commercialisation of a key API in the US market from our Vizag facility, which is currently the only USFDA-approved facility in India.

Q. Please briefly explain the financial performance for the fiscal ended 2018?

A. Our business grew 23% to report ₹8,494 million in revenues versus ₹6,890 million in the previous year. This growth is largely a result of the integration of businesses, which were acquired over the last couple of years. While our API business continued its steady expansion, the finished dosages formulations

"We are encouraged by the improved quarter-on-quarter profitability that we demonstrated in FY 2017-18 and believe it to be a result of becoming a pure-play animal health business."

significantly contributed to our progress with 28% growth. During the year, our margins saw an improvement on a quarter on quarter basis moving from 7.6% in Q1 to 13.2% in Q4 in FY 2017-18. Our EBITDA stood at ₹871 million, recording over 50% increase from ₹578 million during the previous fiscal. This improvement resulted in expansion of EBITDA margins by 190 basis points.

Q. Please share your thoughts on the financial position post the demerger?
A. We carry a very strong balance sheet and this is reflected in the enriched key ratios. Our focus on better utilisation of our assets is visible in an improved return on capital ratio of 13.4% on an annualised basis compared to 8.3% during the previous fiscal.

Q. Could you explain the impact on margins of various factors and what is the outlook?
A. Our increasing margins across quarters during the year and year-on-year reflects our focused approach towards execution of our animal health strategy. A part of this is reflective of our commercialisation in US post USFDA approval of our API facility at Vizag. Our proactive strategy on supply chain front has enabled not only to de-risk ourselves from the disruptions but has actually benefited us thereby.

On the formulations front, our consolidation of various acquisitions and new product introductions helped us improve margins across geographies.

Q. How are we going to fund our future growth?
A. In FY 2017-18, we have largely completed our key investments for the growth of our businesses. At this stage, we do not anticipate any significant capital outlay in the short term other than the regular maintenance capex. With a net debt to equity of 0.38, we are well leveraged and do not foresee any challenge in execution of our future strategies. We have positive cash flow from operations. We have made significant investments in R&D which will drive future growth and profitability. We are encouraged by the improved quarter-on-quarter profitability that we demonstrated in FY 2017-18 and believe it to be a result of becoming a pure-play animal health business.

Q. Are we taking any measures to optimise our financial costs?
An advantage we have in our business is Alivira's local presence in multiple geographies through our strategic acquisitions. For now, most of our debt is funded from the Indian markets with an average cost of borrowing in the range of 10-12%. We have employed a two-pronged approach to further prune our finance costs. While our fiscal discipline and rating upgrade has led to reduction in the interest rates, we continue to work towards leveraging our international presence, and thereby target reduction of our overall cost of borrowings.

Regards

Tushar

ALIVIRA

Global market strategy

We serve the world by helping ensure good health of its animals. We focus on uncrowded niche opportunities and grow relevant capabilities to strengthen our footprint in selected markets organically and inorganically.

Europe

2nd
Largest animal health market in the world

Our strengths

35+
Front-end team

6
Of the Top 10 countries in EU where we have presence

15
EU markets where we have presence through distributors

95+
Product registrations with last-mile channel partnership for 27 EU companies

Our strategies

- Leverage manufacturing base in Spain and Germany with R&D facility at Barcelona
- Establish Alivira front-end presence across Top 10 markets
- Expand distribution reach across key EU countries
- Provide thrust through injectable R&D pipeline

Turkey

$ 450 mn
Veterinary market, which is growing at ~8% annually, faster than global industry growth

Our strengths

3rd
Largest cattle animal health company in Turkey (around 10% market share). Largest producer of veterinary pharmaceuticals

120+
Products

40+
Field force

Our strategies

- Leverage comprehensive manufacturing capabilities for larger share in Turkey and MENA
- Enhanced presence in cattle and sheep segment
- Expertise in injectable products especially penicillin and cephalosporins among others

India

2nd
Fastest-growing market for animal healthcare

Our strengths

50+
Brands

150+
Field force

Our strategies

- Drive cattle business with focused approach on select therapies of mastitis, infertility and probiotics
- Expand into vaccines, leveraging tie-up with IDT Biologika, Germany
- Drive the newly launched pet division in India through multiple product offerings

Latin America

Dominated
by the markets of Brazil and Mexico

3rd
Largest veterinary market in the world. Brazil and Mexico account for 6.7% of the global animal health business

Our strengths

25+
Registered products in Brazil with GMP manufacturing facility

11+
Field force in Brazil

28+
Registered products in Mexico

7+
Field force in Mexico

Our strategies

- Addition of therapeutic products across nutritional additives and supplements
- Cross leverage of group portfolio
- Capitalise EU relationships for in-license products
- Expand into other LATAM markets

Emerging markets

1/4th
Of the global animal health market is accounted by emerging markets and it is estimated to grow at 6.5%

Our strengths

AFRICA

14	**85+**	**14**
Country presence	Approved products	Field force*

SOUTHEAST ASIA

5	**65+**	**11**
Country presence	Approved products	Field force*

MIDDLE EAST AND NORTH AFRICA (MENA)

6	**24**	**24**
Country presence	Product registrations	Field force*

CIS UKRAINE

5
Product registrations

Our strategies

- Established front-end presence in parts of East Africa and Southeast Asia
- Enter new markets: Egypt, Saudi, Thailand, Tanzania, CIS and Qatar
- Focus on innovative non-antibiotic product portfolio

*Through distributor

Formulations will continue to remain our leading revenue driver

We have a comprehensive branded generic formulation portfolio spanning various therapeutic and nutritional products to address the needs of multiple species, across therapy classes and dosage forms.

Our comprehensive formulation product portfolio covers nutritional and therapeutic products addressing the needs of a large number of species, across therapy classes including antibiotics, anthelmintics, anti-bacterial, skincare (dermatology) products and disinfectants, with more products on the anvil.

Our market insight helps us understand the daily challenges of our customers, design solutions that cater to their needs and build sustainable partnerships. In the last four years, we have aggressively invested over US$ 55 million in the formulations segment for nine acquisitions and organic operation launches in four countries. Today, our formulations comprise ~75% of our overall business.

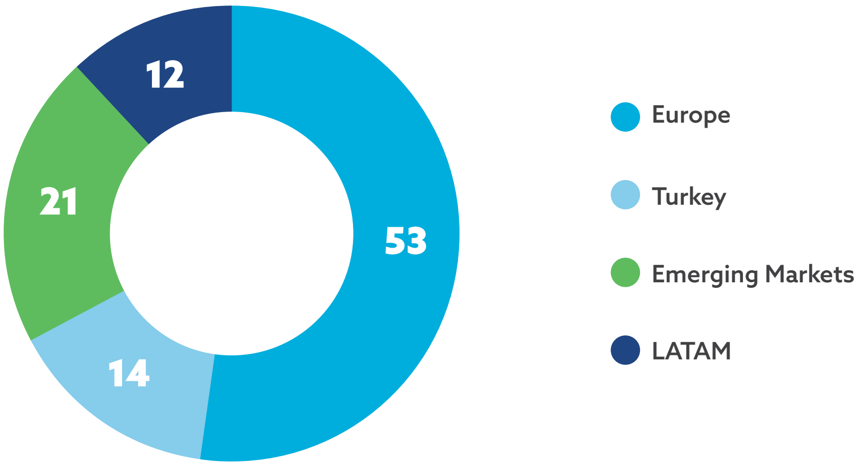
We have significant presence in regulated markets with Europe accounting for over 50% share. We have a global marketing presence in 81 countries and direct operations in 11 nations. Global Top 25 markets account for 80%+ of our sales.

Roadmap

- Introduce innovative products catering to all the therapeutic segments to increase market presence
- Target product gaps overlooked by major animal health players
- Plan capability augmentation across facilities
- Elevate compliance with continuous improvement in operations and global benchmarking
- Reinforce livestock animal focus and strengthen presence across other species

Revenue by market

(%)



500+
Registrations

5
Manufacturing facilities (4 EUGMP certified)

4
State-of-the-art R&D centres

35+
R&D pipeline

7.4X
Sales growth in last 4 years

We are scaling the capability curve in the radically changing API landscape

We are one of the world's leading producer of Active Pharmaceutical Ingredients (APIs). We are the world's largest producer of Anthelmintic APIs and the largest producer of animal health APIs in India. However, we believe this is just the beginning.

Few Indian companies have the reputation and experience to be counted as a strategic manufacturing partner for top global animal health organisations. Our ability to consistently deliver products on time has helped us emerge as a credible and reliable global supplier of animal APIs.

At the core of the relationship is a high level of quality, service and commitment that has enabled us to widen our partnerships to newer products and increase volume of supplies. Through continuous innovation, we have created a win-win proposition for our partners, enabling them to retain and grow the market share.

Roadmap

Shift from a volume-driven to value-driven paradigm

Margin expansion through focus on regulated markets

Focus on global Top 10 veterinary players

New product strategy around patent expiry, innovation-driven products and market scarcity

Ensuring sustainability

Around 50% of sales came from global Top 10 animal health companies in FY 2017-18

We intend to raise it to 75% by 2020

India's first USFDA-approved animal health API facility

- World-class, state-of-the-art manufacturing facility at Vizag with annual capacity of 1,000 MT
- 225 KL reactor capacity with six clean rooms and multi-product capabilities
- 45 acres with significantly enhanced capacities and room for further growth
- Compliant to latest environment, health and safety (EHS) regulations
- Foray into United States, the largest animal health market post recent approval from USFDA

23
Commercial APIs

2
Manufacturing facilities

22
Filings in US and EU

14+
R&D pipeline

3X
Growth in sales to regulated markets in 4 years

Innovation helps us navigate the next in animal health

We continue to help accelerate global innovation in the animal health industry.

We are developing complex formulations as we engage with partners with focus on improving the health and wellbeing of animals. Our R&D team has built a comprehensive pipeline of animal health APIs and formulation products with numerous research initiatives.

We have four world-class R&D centres. Our global R&D programme is integrating global requirements, clinical knowledge and smart cost-effective developments.

We have the skills to execute eco-toxicity, bio-equivalence and palatability studies. We also work with external contract research organisations (CROs) and experts to conduct specialised studies. We have acquired relevant knowledge for filing across global regulated markets.

Our API R&D centre at Vizag focusses primarily on developing new products, improving existing products and expanding product applications. We continue to develop and enhance our product portfolio on the back of our technology and research development expertise.

Our formulations R&D centres based in Mumbai and Barcelona cater to EU, the US and other regulated markets, with satellite development centres located in Istanbul (Turkey) and Campinas (Brazil) support development of their respective local regions.

Global opportunity

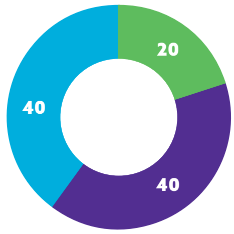
We intend to capitalise on a strong R&D and manufacturing infrastructure with global reach to be counted amongst the Top 10 animal health companies.

R&D capabilities

Dosage Form	Spain	India	Turkey	Brazil
APIs		●		
Formulations				
Oral solutions	●			●
Liquid for inhalation	●			
Oral suspension	●		●	
Water soluble powder	●			●
Drug premix	●			
Nutritional feed add.	●			
Tablets		●		
Pre-filled syringe			●	
Injectable				
Inj. Solution		●	●	
Inj. Suspension		●	●	
Pour-on			●	
Gases				
Aerosols				

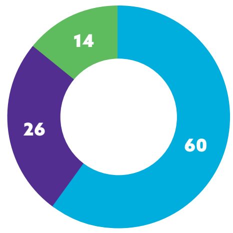
● Available

R&D pipeline break-up
(%)



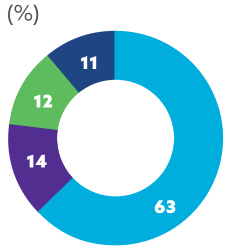
- First generics
- Niche/Limited competition
- Global generics

Species (pipeline)
(%)



- Production animals
- Companion animals
- Both

Dosage form (pipeline)
(%)



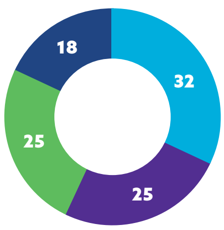
- Injectables
- Powders/premixes
- Liquids
- Solids

Formulations

We have a portfolio of 35+ products under development with addressable market opportunity of over US$ 500 million.

1/3
Products leverage our API – integrated approach

API therapeutic pipeline
(%)

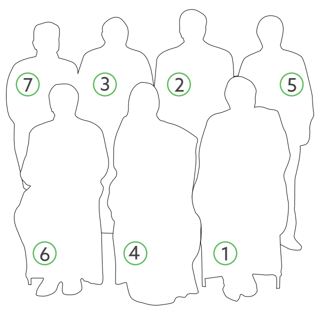


- Anti-parasitics
- NSAIDs
- Anti-infectives
- Anti-bacterials

API

We have 22 filings in the US and EU and an R&D pipeline of 14+ products. We are expanding our portfolio into emerging therapeutic segments and leveraging key customer relationships to expand our product basket to cater to multiple geographies.

Board of Directors



1. Dr. Gopakumar G Nair
Chairman and Independent Director

Dr. Nair is the Chairman and Independent Director on the Board. He has over 40 years of experience and knowledge in the pharmaceutical and chemical industry. He is the past President of Indian Drug Manufacturers' Association. Dr. Nair is an authority on matters such as GATT, WTO, TRIPs and runs his own IP /patent practice.

2. Manish Gupta
Managing Director

Mr. Gupta joined the Company as Chief Executive Officer and was inducted to the Board as Managing Director on November 12, 2014. He has over 22 years of experience in leading and managing businesses across the US, Europe and India. Before joining SeQuent Scientific, he was the CEO of Strides Arcolab Limited, where he spearheaded the pharma operations.

3. KEC Raja Kumar
Non-Executive Director

Mr. Raja Kumar is the Founder and CEO of Ascent Capital Advisors, an India-focused private equity firm. He has over 15 years of experience in India's investment sector spanning venture capital and private/public equity. Previously, he served as a senior officer of the Indian Civil Services, as commissioner of Income Tax and as regional director of Securities and Exchange Board of India (SEBI). He was also an Executive Director of UTI Mutual Fund and has served as a Director of five Indian stock exchanges.

4. Dr. Kausalya Santhanam
Independent Director

Dr. Santhanam is a registered patent agent in the United States Patent and Trademark Office (USPTO) and in 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.

5. Sharat Narasapur
Joint Managing Director

Mr. Narasapur has over 28 years of experience in the chemical, agrochemical and pharmaceutical industries in various roles, starting from design and development to managing business operations. He has vast knowledge in techno-commercial operations involving management of large multilocation chemical/API manufacturing operations and global project/programme management.

6. Narendra Mairpady
Independent Director

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

7. Dr. S Devendra Kumar
Non-Executive Director

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

Global management team

Manish Gupta
Managing Director

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Ramon Vila
Europe

Dr Hüseyin Aydin
Turkey

Jose Nunes Filho
LATAM

Shrikant Makode
API

Ashish Kakabalia
Business Development and R&D

Statutory Reports

Management Discussion and Analysis

The animal healthscape

During the last decade, the global animal health industry has seen an unprecedented rise in players entering this market. The increased dependence on animals by humans for livestock, meat and companion purposes have acted as a growth catalyst for the animal healthcare industry. The importance of livestock animals in the animal healthcare market has increased manifold as population growth, stable economy and increased livelihood has brought about an increase in meat consumption. The animal health industry is likely to grow at CAGR of ~6% to US$ 40 billion by 2022. Production animal segment is one of the fastest growing veterinary segments in the animal healthcare market accounting for around 60% of the total veterinary market. The production animal segment which has the largest share, is projected to grow by over 5% to US$ 24 billion by 2022.

Pet ownership has become a key statement drivers in the major economies, both developed and emerging. More middle to higher income individuals are adopting pets in developing economies. Cats and Dogs are increasingly being adopted by individuals for their psychological and therapeutic benefits. Growing demand for companion animals in the developing markets such as India and China which copy Western trends have brought about an increased demand for pet care. Companion Animals segment is expected to gain a market value of US$ 13.7 billion in 2017 and is projected to grow at a CAGR of 3.6% over the forecast period. The global Animal Healthcare market is present over seven main regions; namely North America, Latin America, Western Europe, Eastern Europe, Asia Pacific excluding Japan (APEJ), Japan, and Middle East & Africa (MEA). Currently, North America dominates the global animal healthcare market, with Western Europe constituting the 2nd largest market.

Indian dairy sector houses some of the largest livestock population in Asia, with around 11% of the world's livestock population contribution from India. The Indian livestock and animal health segment has steadily gained market share as more livestock management has become a prerogative for a thriving industry. Large scale factory-farming activities require high quality animal feed additives, vaccines as well as hygiene management products. The budding Animal pharmaceuticals industry in India has been successful in fulfilling the recent increase in demand in the Indian market.

The global animal health active pharmaceutical ingredient (API) market is projected to register an impressive expansion at 7.3% CAGR during 2017 to 2025. Market revenue is expected to reach US$ 9.2 billion by 2025 from US$ 5.2 billion in 2017. Technological advances and innovative production techniques are expected to be the main driver for growth for the animal healthcare sector. It is expected that the growth rate of 4-5% will be maintained throughout the outlook period. Pharmaceutical companies are focusing now on developing high quality therapeutics via implementation of advanced technologies and production facilities. Companies are now investing into research and development of new therapeutic production techniques and preventative products.

It is estimated that APAC will continue to be the most lucrative region in the global animal health API market, with sales exhibiting the second highest CAGR through 2025. Driven by the demand for milk and meat due to the large population, growth and increased affluence in emerging markets, APAC region has remained one of the largest suppliers of affordable API products.

The production animals space remains the mainstay for SeQuent Scientific Ltd (SeQuent). Under the aegis of Alivira, the Company is committed to mitigate the varied challenges of those who raise and care for animals. We focus on improving farm productivity along with bringing innovating solutions to veterinarians to address the global animal health related issues. Today, we are a vertically integrated Animal Healthcare company with seven state-of-the-art manufacturing facilities. Our API business is characterised by new product development capability, best-in-class infrastructure, wide product basket and long term relationships with most of the global animal health companies. We have lately transformed ourselves into a formulation led company with more than 75% of our total revenues being realised from the formulations sales. In this space, we have established our business presence in India, Turkey, Europe, LATAM, Africa, MENA South East Asia and Germany. We have over 500 products focused towards production animals produced in GMP compliant facilities in Spain, Brazil, India and Turkey and R&D development in India, Turkey and Spain. We are present in over 100 countries realising over 50% of the revenues from Europe.

Our focus markets and opportunity

At SeQuent, our focus is towards addressing global animal health challenges and emerging as a leading player in the animal health space. In order to attain our objective, we have carefully chosen markets wherein we contemplated opportunities for progress and growing awareness about safe and healthy animal environment.

India		
Market Statistics	**Our Presence Today**	**Growth Drivers**
• Second fastest growing market for animal healthcare • The healthcare market for production animals is expected to grow from an estimated US$ 460 million in 2015 to US$ 660 million in 2019 at a CAGR of 9.1%	• Established presence with overall business revenue of US$ 7 million (₹443 million) • 50+ brands • 150+ field force	• Drive cattle business with focused approach on select therapies of mastitis, infertility and probiotics • Expand into vaccines, leveraging tie-up with IDT Biologika, Germany • Drive the newly launched pet division in India through multiple product offerings

Europe		
Market Statistics	**Our Presence Today**	**Growth Drivers**
• Second largest animal health market in the world • Total market size of US$ 8 billion in 2017 • Anticipated to grow at 4.4% to US$ 12 billion in 2025	• Front end team of 35+ with presence in 6 of the top 10 EU countries (ES, NL, BE, SE, DE, GR) and 15 other EU markets through distributors • 95+ product registrations with last mile channel partnership for 27 EU companies • Manufacturing base at Spain & Germany, R&D base at Barcelona	• Leverage manufacturing base in Spain and Germany with R&D facility at Barcelona • Establish Alivira front-end presence across Top 10 markets • Expand distribution reach across key EU countries • Provide thrust through injectable R&D pipeline

Turkey		
Market Statistics	**Our Presence Today**	**Growth Drivers**
• US$ 450 million veterinary market, which is growing at around 8% year on year, faster than the global industry growth. • Turkey is amongst the top 10 ruminant market and overall the 16th largest veterinary market in the world	• 3rd largest Animal Health Company in Turkey (~10% market share) • Largest producer of veterinary pharmaceuticals • Portfolio of 120+ products & 40+ field force • Robust manufacturing capabilities	• Leverage comprehensive manufacturing capabilities for larger share in Turkey and MENA • Enhanced presence in cattle and sheep segment • Expertise in injectable products especially penicillin and cephalosporins among others

Latin America		
Market Statistics	**Our Presence Today**	**Growth Drivers**
• Latin America largely dominated by the markets of Brazil and Mexico accounting for 6.7% of the global animal health business • LATAM is anticipated to grow at 5.5% to US$ 5 billion in 2025	• Brazil- 25+ registered products; GMP manufacturing facility approved by MAPA • Field force 11+ • Mexico- 28+ registered products; Field force of 7+	• Addition of therapeutic products across nutritional additives and supplements • Cross leverage of group portfolio • Capitalise EU relationships for in-license products • Expand into other LATAM markets

Emerging Markets		
Market Statistics	Our Presence Today	Growth Drivers
• Emerging markets accounts for 1/4th of the global animal health market and is estimated to grow at a CAGR of 6.5%	• Africa- 14 key countries, 85+ approved products - 14 field force (direct & indirect) • South East Asia- 5 countries, 11 Indirect field force, 65+ approved products • MENA - 6 countries, 12 Indirect field force, 24 registrations • CIS Ukraine – 5 registrations; field force of 3	• Established front-end presence in parts of East Africa and Southeast Asia • Enter new markets: Egypt, Saudi, Thailand, Tanzania, CIS and Qatar • Focus on innovative non-antibiotic product portfolio

Strategic initiatives and performance in FY 2017-18

The FY 2017-18 is a significant year in the transformation of SeQuent Scientific Ltd into India's largest pure- play Animal Health Company and the 1st Global Animal Health Company from India. This marks the culmination of our journey of the last three years during which we have strategically expanded our portfolio and geographic footprints in the animal health care space though a series of tough decisions and well – thought out acquisitions.

The demerger of Commodity API business of Strides and Human API Business of the Company into Solara Active Pharma Sciences Ltd. was approved by the Mumbai Bench of the National Company Law Tribunal (NCLT). The demerged entity, which emerges as one of the largest API companies from India has achieved critical scale and size for independent operations. This decision, to part with the business from SeQuent was taken considering the dynamic regulatory landscape in API industry along with the growing opportunities for a pure-play Animal Health player from India. The demerger has been executed in the fairest manner possible and is value accretive for our shareholders allowing us to dedicate our time and resources to animal health care business. This decision was taken towards the end of FY 2016-17 by the Board of Directors after having reviewed the strategic success in building Alivira as India's largest veterinary company with an annual run-rate (2017) of approximately ₹ 8 billion. The demerger is effective from 1st October 2017

Given the growing trend in emerging markets, especially in India and China for keeping pets, SeQuent launched the Pet division in India from November 2017

We achieved a critical milestone in our journey during FY 2017-18 with our 225 KL Animal Health API facility at Vizag receiving USFDA approval. The receipt of the EIR will enable SeQuent's entry into US$ 8 billion the US veterinary healthcare market. This is a stepping stone in our vision of building a world class animal healthcare business. We achieved the first commercial API sales in US and believe this will be a significant growth driver.

After a gap of 6 years, the Board declared a 10% dividend as a part of our continued efforts to enhance value for our shareholders. This is the first year in which we have reported a positive bottomline in continuing operations and will come good on our commitment going forward.

In Fiscal Year 2018, the API business contributed to approximately ~1/4th of total sales. We began our first commercial supplies to the United States from our API facility at Vizag. We have completed 12 API filings in US during the year.

The Formulations business contributed ~3/4th of sales. We successfully integrated across acquisitions to drive growth and expand margins. On the R&D front, we scaled-up our R&D capabilities and now have a portfolio of 35+ FDFs and 14+ complex APIs under development across India & Spain.

Business performance review

At a strategic level, we made considerable progress in FY 2017-18 by executing our long-term strategy of becoming a global Animal Health player with successful integration of the various acquisitions globally over the last 18 months. Our next level of growth will be driven by the commercialisation of our R&D products, both APIs and formulations.

Business grew significantly with Europe growing by 30% and Turkey by 42%. We also established Alivira presence in France, which is the largest EU market size of over US$ 1.5 billion.

From a financial performance standpoint, we registered a top line of ₹8,494 million which is 23% over the previous year. This growth features the addition of new acquired businesses during the year. We continued to face challenges in the Veterinary API business key markets due to geo-political reasons coupled with slow offtake from the existing customers. The growth during the year was driven by consolidation and performance of our all acquisitions made during the last three years.

Business resources

Manufacturing

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

Business vertical	Facility name and location	Key features
Animal Health APIs	Vizag, India	Approvals: USFDA and EUGMP. Capabilities: API facility with reactor capacity of 225 KL with six clean rooms
API Intermediates	Tarapur, India	Approvals: cGMP. Capabilities: API intermediates facility with reactor capacity of 64 KL with two clean rooms
Animal Health Formulations	Ambernath, India	Approvals: India, Uganda, Ethiopia and Kenya. Capabilities: Granules for injections and oral liquids
	Polatli, Turkey	Approvals: EUGMP and Turkish GMP. Capabilities: Beta-lactam and non-beta lactam injectable solutions/suspensions, intra-mammaries, oral solutions/suspensions, aerosol and pour-on, spot-on
	Barcelona, Spain	Approvals: EUGMP. Capabilities: Liquids - oral solutions/suspension and solids (powders) - beta-lactam and non-beta lactam antibiotics. Specialises in nutrition products - veterinary premixes
	Campinas, Brazil	Approvals: MAPA (Ministry of Agriculture). Capabilities: Oral solutions, oral powders and drug premixes
	Warburg, Germany	Approvals: EUGMP. Capabilities: Sterile injectable including beta-lactam and hormones, oral liquids and oral powders Acquired in April 2018

Research and development

Collaborating in dynamic ways with innovation across our core areas is what we believe in. Our in-house research capabilities span with a R&D centre based out of Vizag. We will be commissioning a pilot scale plant for faster product development. Our research and development team have expertise in heterocyclic chemistry.

Going forward we look to yield benefits from our pipeline of 14 products in animal health APIs. We have a portfolio of 35 products under development, representing a market opportunity of US$ 500 million+

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, CEP and Health Canada.

Intellectual property rights

From a regulatory perspective, we are fully accomplished to encounter the challenges of modern-day Intellectual Property Management in Pharmaceutical Industry. We have a well-qualified and experienced team for IPR facilitates the development of intellectual wealth and supports to identify new potential and markets for API and formulations across the globe.

- We completed a total of 12 filings in US from Vizag USFDA plant
- Completed a total of 10 CEP filings, 5 approvals as on date
- In FY 2017-18 we Filed 4 products in EU and 14 products in emerging markets, resulting in 113 registrations in EU and 140+ registrations in emerging market

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 1,000 of which 300 are part of our overseas operations.

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

Environment, Health and Safety (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 the persons who follows best Safety practices
- My Area – Safe Area: Managers/Supervisors identify unsafe practices and unsafe conditions at workplace to make their areas 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.

Global presence and marketing

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

Finance review

Particulars (In ₹ million)				FY 2017-18	FY 2016-17	Movement
A	**ASSETS**					
1.	**Non-current assets**					
	(a)	Property, plant and equipment		2,135.14	3,995.29	(1,860.15)
	(b)	Capital work-in-progress		134.06	15.94	118.12
	(c)	Goodwill		2,021.93	2,242.37	(220.44)
	(d)	Other intangible assets		602.65	605.62	(2.97)
	(e)	Intangible assets under development		46.32	309.54	(263.22)
	(f)	Financial assets				
		(i)	Investments	2,217.33	3,639.74	(1,422.41)
		(ii)	Loans	-	4.50	(4.50)
		(iii)	Other financial assets	49.54	54.49	(4.95)
	(g)	Deferred tax assets (net)		211.91	211.19	0.72
	(h)	Income tax assets (net)		44.81	91.43	(46.62)
	(i)	Other non-current assets		583.78	598.66	(14.88)
	Total non-current assets			**8,047.47**	**11,768.77**	**(3,721.30)**
2.	**Current assets**					
	(a)	Inventories		1,585.74	1,608.07	(22.33)
	(b)	Financial assets				
		(i)	Investments	173.45	641.16	(467.71)
		(ii)	Trade receivables	2,583.49	2,546.19	37.30
		(iii)	Cash and cash equivalents	395.44	435.21	(39.77)
		(iv)	Bank balances other than (iii) above	29.04	38.83	(9.79)
		(v)	Loans	116.77	23.42	93.35
		(vi)	Other financial assets	19.15	90.96	(71.81)
	(c)	Other current assets		477.07	560.22	(83.15)
				5,380.15	**5,944.06**	**(563.91)**
	Asset classified as held for sale			-	1,333.31	(1,333.31)
	Total current assets			**5,380.15**	**7,277.37**	**(1,897.22)**
	Total assets			**13,427.62**	**19,046.14**	**(5,618.52)**

Particulars (In ₹ million)		FY 2017-18	FY 2016-17	Movement
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	487.47	487.47	-
	(b) Other equity	5,988.30	9,280.44	(3,292.14)
	Equity attributable to owners of the Company	6,475.77	9,767.91	(3,292.14)
	(c) Non- controlling Interest	369.85	172.18	197.67
	Total equity	**6,845.62**	**9,940.09**	**(3,094.47)**
II	**Liabilities**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	1,035.45	1,651.39	(615.94)
	(ii) Other financial liabilities	1,029.39	546.24	483.15
	(b) Provisions	74.90	145.03	(70.13)
	(c) Deferred tax liabilities (net)	108.11	88.88	19.23
	(d) Other non-current liabilities	24.84	39.02	(14.18)
	Total non-current liabilities	2,272.69	2,470.56	(197.87)
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	1,524.07	1,947.00	(422.93)
	(ii) Trade payables	1,604.92	2,030.41	(425.49)
	(iii) Other financial liabilities	737.28	1,032.75	(295.47)
	(b) Provisions	25.42	13.49	11.93
	(c) Current tax liabilities (net)	89.72	51.94	37.78
	(d) Other current liabilities	327.90	377.63	(49.73)
	Total current liabilities	**4,309.31**	**5,453.22**	**(1,143.91)**
	Liabilities directly associated with assets classified as held for sale	-	1,182.27	(1,182.27)
	Total liabilities	**6,582.00**	**9,106.05**	**(2,524.05)**
	Total equity and liabilities	**13,427.62**	**19,046.14**	**(5,618.52)**

Non-current assets

Property, plants and equipment

The decrease in property, plants and equipment from ₹ 3,995.29 million in FY 2016-17 to ₹ 2,135.14 million in FY 2017-18 is resultant of demerger of Human API business to Solara.

Capital work-in-progress (CWIP)

The increase in CWIP from ₹ 15.94 million in FY 2016-17 to ₹ 134.06 million in FY 2017-18 is resultant of starting R&D setup in one of the subsidiary company.

Goodwill

The decrease in goodwill from ₹ 2242.37 million in FY 2016-17 to ₹ 2021.93 is resultant of sale of one the subsidiary and impairment.

Other intangible assets

The nominal decrease in other intangible asset from ₹ 605.62 million in FY 2016-17 to ₹ 602.65 is resultant of demerger of Human API business to Solara offset by capitalisation of SAP cost.

Intangible asset under development

The decrease in intangible asset under development from ₹ 309.54 million in FY 2016-17 to ₹ 46.32 million in FY 2017-18 is resultant of demerger of Human API business to Solara and capitalisation of SAP cost.

Non-Current Investment

The non-current investments have decreased from ₹ 3,639.74 million in FY 2016-17 to ₹ 2,217.33 million in FY 2017-18. This decrease is on account of fair valuation of investments in Strides Shasun Limited shares.

Income tax assets (net)

The decrease in income tax assets from ₹ 91.43 million in FY 2016-17 to ₹ 44.81 million in FY 2017-18 is resultant of demerger of Human API business to Solara

Current assets

Current Investment

The current investments have decreased from ₹ 641.16 million in FY 2016-17 to ₹ 173.45 million in FY 2017-18. This decrease because of redemption of short term mutual fund.

Current Loans

The current loans have increased from ₹ 23.42 million in FY 2016-17 to ₹ 116.77 million in FY 2017-18. This increase is resultant of loan to Naari Pharma Private Limited which ceased to be subsidiary company during the year.

Other current financial assets

The other current financial assets have decreased from ₹ 90.96 million in FY 2016-17 to ₹ 19.15 million in FY 2017-18 is resultant of demerger of Human API business to Solara

Other current assets

The other current assets have decreased from ₹ 560.22 million in FY 2016-17 to ₹ 477.07 million in FY 2017-18 is resultant of demerger of Human API business to Solara

Asset classified as held for sale

The asset classified as held for sale have decreased to NIL from ₹ 1,333.31 million in FY 2016-17 due to sales of investment in Naari Pharma Private Limited during the year.

Other equity
The other equity has decreased from ₹ 9,280.44 million in FY 2016-17 to ₹ 5,988.30 million in FY 2017-18. This change is mainly on account of demerger of Human API business to Solara and reduction in fair valuation of investment in Strides Shasun Limited shares.

Non-controlling interest
The non-controlling interest has increased from ₹ 172.18 million in FY 2016-17 to ₹ 369.85 million in FY 2017-18. The increase in the minority is a resultant share of profit during the year and sales of subsidiaries company.

Non-current liabilities
Long term borrowings
The long-term borrowings have reduced from ₹ 1,651.39 million in FY 2016-17 to ₹ 1,035.45 million in FY 2017-18 on account of repayment to banks as per schedule and demerger of Human API business to Solara.

Other financial liabilities
The increase in other financial liabilities from ₹ 546.24 million in FY 2016-17 to ₹ 1029.39 million is resultant of increase in put option liability.

Provision
The provision has reduced from ₹ 145.03 million in FY 2016-17 to ₹ 74.90 million in FY 2017-18 is resultant of demerger of Human API business to Solara.

Current liabilities
Current borrowings
The current borrowings have reduced from ₹ 1,947.00 million in FY 2016-17 to ₹ 1,524.07 million in FY 2017-18 is resultant of demerger of Human API business to Solara.

Trade payables
The decrease in trade payables from ₹ 2,030.41 million in FY 2016-17 to ₹ 1,604.92 million in FY 2017-18 is resultant of demerger of Human API business to Solara.

Other financial liabilities
The decrease in other financial liabilities from ₹ 1,032.75 million in FY 2016-17 to ₹ 737.28 million in FY 2017-18 is resultant from sales of investment in Naari Pharma Private Limited and demerger of Human API business to Solara.

Liabilities directly associated with assets classified as held for sale
The liabilities directly associated with assets classified as held for sale have decreased to NIL from ₹ 1,182.27 million in FY 2016-17 due to sales of investment in Naari Pharma Private Limited during the year

Consolidated statement of profit and loss for the year ended 31 March, 2018
All amounts are in ₹ million unless otherwise stated except for earning per share information

	FY 2017-18	FY 2016-17	% change
Revenue from operations	8,494.48	6,890.06	23%
Other income	165.81	110.77	50%
Total income	8,660.29	7,000.83	24%
Expenses			
Cost of materials consumed	3,445.94	2,443.81	41%
Purchases of stock-in-trade	1,418.41	1,225.05	16%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(239.43)	(101.85)	135%
Excise duty on sale of goods	16.10	54.37	-70%
Employee benefit expenses	1,138.28	1,062.23	7%
Finance costs	330.69	283.40	17%
Depreciation and amortisation expenses	413.43	400.73	3%
Other expenses	1,885.38	1,777.00	6%
Total expenses	**8,408.80**	**7,144.74**	**18%**
Profit/(Loss) before tax and exceptional items	251.49	(143.91)	-275%
Exceptional items	15.04	-	0%
Profit/(Loss) before tax after exceptional items	**236.45**	**(143.91)**	**-264%**
Tax expense	134.57	(5.27)	-2654%
Profit/(Loss) from continuing operations after tax	101.88	(138.64)	-173%
Profit from discontinued operations before tax	**4,206.42**	**(24.09)**	**-17562%**
Tax expense of discontinued operations:	-	1.14	-100%
Profit/(Loss) from discontinued operations after tax	**4,206.42**	**(25.23)**	**-16773%**
Profit/(Loss) for the year	**4,308.30**	**(163.87)**	**-2729%**
Other comprehensive income	**(1,387.18)**	**(43.17)**	**3113%**
Total comprehensive income for the year	**2,921.12**	**(207.04)**	**-1511%**
Total comprehensive income for the year attributable to:			
- Owners of the company	2,820.18	(168.05)	-1778%
- Non-controlling interests	100.94	(38.99)	-359%
	2,921.12	**(207.04)**	**-1511%**

Operating revenue

The sales increased from ₹ 6,890.06 million in FY 2016-17 to ₹ 8,494.48 million in FY 2017-18. This increase is commensurate with further expansion in Animal Health operations.

Cost of materials consumed

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

Employee benefit expenses

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

- Average annual salary increase of 8%
- Proportionate increase in staff welfare expenses

Finance costs

The finance cost has increased from ₹ 283.40 million in FY 2016-17 to ₹ 330.69 million in FY 2017-18 in line with business growth.

Depreciation and amortisation expenses

There is nominal increase in depreciation and amortisation expenses from ₹ 400.73 million to ₹ 413.43 million.

Exceptional items

The FY 2017-18 exceptional items comprises:

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

Tax expenses

There is increase in tax expenses from ₹ (5.27) million to ₹ 134.57 million due to increase in taxation liabilities of foreign operations.

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.

Board's Report

Dear Members,
We hereby present the 33rd Annual Report of your Company along with the audited financial statements for the financial year ended 31 March 2018.

1. Financial Summary

The financial performance of the Company for the financial year ended 31 March 2018 is given below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	1,072.36	945.33	8,494.48	6,890.06
Other income	242.69	190.67	165.81	110.77
Profit/(loss) from continuing operations before interest, depreciation tax & exceptional items	58.83	(114.91)	995.61	540.22
Less: Interest	3.92	4.23	330.69	283.40
Less: Depreciation and amortisation expenses	36.67	32.52	413.43	400.73
Profit/(loss) from continuing operations before tax & exceptional items	18.24	(151.66)	251.49	(143.91)
Exceptional items	11.61	-	15.04	-
Profit/(loss) before tax from continuing operations	6.63	(151.66)	236.45	(143.91)
Tax expense	28.67	-	134.57	(5.27)
Profit/(loss) from continuing operations after tax	(22.04)	(151.66)	101.88	(138.64)
Profit/(loss) from discontinued operations	170.74	151.54	105.47	(24.09)
Gain on demerger of Human API operations	3,915.37	-	4,100.95	-
Tax expense of discontinued operations	-	-	-	1.14
Profit / (loss) from discontinued operations after tax	4,086.11	151.54	4,206.42	(25.23)
Profit / (loss) for the year	**4,064.07**	**(0.12)**	**4,308.30**	**(163.87)**
Other comprehensive income				
Re-measurements on defined benefits plans	(3.73)	0.70	8.25	(1.44)
Fair value gain / (loss) from investment in equity instruments	(1,419.54)	33.91	(1,419.54)	33.91
Exchange differences on translation of foreign operations	-	-	24.47	(34.85)
Exchange differences on net investment in foreign operations	-	-	(0.36)	(40.79)
Total other comprehensive income for the year	**(1,423.27)**	**34.61**	**(1,387.18)**	**(43.17)**
Total comprehensive income for the year	**2,640.80**	**34.49**	**2,921.12**	**(207.04)**

2. Business Performance Review

During the year, the Company positioned itself as a pure-play animal health company. At a strategic level, we made considerable progress in FY18 by executing our long-term strategy of becoming a global Animal Health player with successful integration of the various acquisitions globally over last 18 months. Our next level of growth will be driven by the commercialisation of our R&D products, both APIs and formulations.

During the financial year 2017-18, on a standalone basis, your Company's revenues stood at ₹ 1315.05 million as against ₹ 1,136.00 million in 2016-17. The Company posted an EBITDA of ₹ (184.14) million in the year 2017-18 as against ₹ (305.58) million in 2016-17. The Company made a net profit of ₹ 4,064.07 million.

On a consolidated basis, your Company's revenue for the year 2017-18 stood at ₹ 8,494.48 million as against ₹ 6,890.06 million in the financial year 2016-17. The Company posted an EBITDA of ₹ 871.00 million as against ₹ 578.32 million in 2016-17. EBITDA margin during the year stood at 10.3%, up by 190 bps over previous year.

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

Business Overview

- India's only FDA approved API manufacturing facility in Vizag
- USFDA approved facility for foray into United States - the largest animal health market – Key growth driver

- Strong presence in Europe, LATAM, Turkey, India, Africa & South East Asia
- Global R&D approach with localised manufacturing capabilities in regulatory geographies
- Recent foray into France & Ukraine
- Established relationship with top 10 veterinary companies with a steady customer base across US, Europe, LATAM & India
- Wide range of products, predominantly in Anthelmintics & emerging NSAID portfolio

Corporate Actions
De-merger of Human API

- During the financial year 2016-17, the Board of Directors of the Company approved a Composite Scheme of Arrangement (Scheme) between Strides Shasun Limited, the Company and Solara Active Pharma Sciences Limited wherein the Company's human API business was proposed to be de-merged to Solara Active Pharma Sciences Limited with an appointed date of 1 October 2017. The Scheme envisaged issue of 1 equity share of ₹ 10/- each of Solara Active Pharma Sciences Limited for every 25 equity shares of ₹ 2/- each held in the Company.

- The shareholders through postal ballot /evoting and also at the National Company Law Tribunal (NCLT) convened meeting held on 26 December 2017 approved the Scheme. The Scheme was also approved by the Mumbai Bench of NCLT on 9 March 2018 and orders were issued on 22 March 2018.

  Solara Active Pharma Sciences Limited issued shares to the shareholders of the Company on 11 April 2018. The equity shares of Solara were listed on BSE Limited and National Stock Exchange of India and commenced trading on June 27, 2018.

3. Dividend

The Board of Directors of your Company had approved payment of an interim dividend @ 10% on equity share of ₹ 2 each (₹0.20 per equity share) which was declared in the month of November 2017 and same was paid in first week of December 2017. The Board is not recommending any final dividend and the interim dividend of ₹ 0.20 per equity share be treated as the final dividend for the financial year 2017-18.

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

4. Transfer to reserves

During the financial year, the Company has not made any transfer to the reserves.

5. Share Capital

As on date, the authorized 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 ₹ 487,472,390 divided into 243,736,195 equity shares of ₹ 2/- each.

During the year ended 31 March 2018, the Company has not allotted any equity shares.

The Company has not allotted equity shares after the balance sheet date i.e. 31 March 2018.

6. Subsidiaries

As at 31 March 2018, the Company has 21 subsidiaries, out of which 7 Companies are wholly owned subsidiaries and the Company does not have any joint ventures/ associate companies.

Changes in subsidiaries during the financial year ended 31 March 2018:

Alivira France	Alivira Animal Health Limited acquired majority stake in "Alivira France" through its subsidiary Alivira Animal Health Limited (Ireland)
SeQuent Global Holdings Limited	Ceased to be a subsidiary with effect from 6 April 2017
SeQuent Scientific Pte Limited	Ceased to be a subsidiary with effect from 8 January 2018

Note: Bremer Pharma GMBH was acquired on 17 April 2018 by Alivira Animal Health Limited, Ireland a subsidiary of Alivira Animal Health Limited.

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 forms part of the Annual Report. Statement containing salient features of the financial statements of Company's subsidiaries, joint ventures and associate companies as required in Form AOC-1 is enclosed as annexure 1 to this report.

The audited consolidated accounts and cash flow statement, comprising of the Company and its subsidiaries form part of this report. The Auditors Report on the audited consolidated accounts is attached and the same is unqualified.

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

7. 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 this Report.

8. Public Deposit

During the financial year 2017-18, 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 31 March 2018, 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. KEC Rajakumar (DIN: 00044539) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief profile of Mr. KEC Rajakumar is given in the corporate governance report which forms part of this report.

Your director recommended their appointment/ reappointment to the members of the Company.

There were no changes in Key Managerial Personnel of the Company during the year.

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

- Mr. Manish Gupta – Managing Director (DIN: 06805265)
- Mr. Sharat Narasapur – Joint Managing Director (DIN: 02808651)
- Mr. Tushar Mistry – Chief Financial Officer
- Mr. Krupesh Mehta – Company Secretary

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

10. Meetings of the Board

During the year ended 31 March 2018, 4 (Four) Board Meetings were held. These meetings were held on May 23, 2017, August 3, 2017, November 9, 2017 and February 9, 2018.

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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

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

12. Evaluation of Board of Directors

Pursuant to provisions of schedule IV of the Companies Act, 2013 and rules thereto and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy called 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 is given below:

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

All the recommendations given by the Audit Committee were accepted by the Board of Directors of the Company.

14. Auditors

Statutory Auditors

At the Annual General Meeting held on 29 September 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.

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended 31 March 2018.

Reporting of Fraud

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

Cost Auditor

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

Pursuant to section 148(3) and Companies (Cost records and audit) Rules, 2014, M/s. Kirit Mehta & Co, practicing Cost Accountants, were appointed as the cost auditor for the financial year 2017-18. The Cost Audit Report for the financial year ended would be filed within the due date prescribed by law.

The remuneration proposed to be paid to the Cost Auditor forms part of the Notice of the Annual General Meeting for the approval for the Shareholders. The Board recommends the same for approval of the Members at the ensuing Annual General Meeting.

Secretarial Audit Report

Pursuant to the provisions of section 204 (1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Nilesh Shah, Practicing Company Secretary (Certificate of Practice No: 2631) to carry out the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report is annexed as annexure 4 to this Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

15. 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.

16. Vigil Mechanism / Whistle Blower Policy

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

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

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

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

18. 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 45 to the financial statements in the Annual Report.

19. Corporate Social Responsibility

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

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

20. 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.

Internal Financial controls

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

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

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

21. 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.

22. 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) the annual accounts of the Company have been prepared on a going concern basis;

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

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

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

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

24. Policy on prevention of Sexual Harassment at work place

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

25. Corporate Governance

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

The confirmation from Mr. Manish Gupta, Managing Director, regarding compliance with the code of Business Conduct and Ethics forms part of the Report on Corporate Governance.

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

27. Employee Stock Option Scheme
The Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010 " (the "ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines") and the scheme is administered through a trust. During the year the Nomination and Remuneration Committee has granted 50,000 options to identified employees and 189,200 options lapsed due to resignation of employees. As at 31 March 2018, 24,41,000 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.

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

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

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

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

Note: The information given herein above is as on 31 March 2018, unless otherwise stated.

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

Place: Mumbai
Date: 09 August 2018

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 salient features of the financial statement of subsidiaries/ associate companies/ joint ventures)

PART A - SUBSIDIARIES

Information relating to subsidiaries of the Company as at 31 March 2018

(₹ in million)

							(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
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	Share capital (Includes monies pending allotment)	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Interim dividend	% Share-holding
1	Elysian Life Sciences Private Limited	02 March 2010	India	NA	INR	-	0.10	(112.10)	0.36	112.36	-	-	(0.19)	-	(0.19)	-	100.00%
2	Alivira Animal Health Limited, India	30 September 2013	India	NA	INR	-	414.06	2,200.24	6,312.73	3,698.43	680.82	2,966.62	(159.50)	-	(159.50)	-	100.00%
3	Alivira Animal Health Limited, Ireland	01 September 2014	Ireland	NA	USD	64.95	703.06	(331.38)	3,363.49	2,991.81	2,659.59	6.56	(81.98)	-	(81.98)	-	100.00%
4	Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	09 September 2014	Turkey	NA	TRY	16.42	32.84	373.68	1,190.52	784.00	254.47	588.63	12.02	2.40	9.62	-	60.00%
5	SeQuent Research Limited	13 April 2007	India	NA	INR	-	44.10	24.77	218.34	149.47	-	182.44	9.26	4.42	4.84	-	100.00%
6	SeQuent Anit Biotics Private Limited	04 May 2010	India	NA	INR	-	0.10	(0.65)	-	0.55	-	-	(0.02)	-	(0.02)	-	100.00%
7	SeQuent Pharmaceuticals Private Limited	11 May 2010	India	NA	INR		0.10	(0.25)	0.11	0.26	-	-	(0.02)	-	(0.02)	-	99.99%
8	Fendigo SA	03 December 2015	Belgium	NA	EURO	80.04	12.40	71.57	260.03	176.06	-	567.70	37.92	13.19	24.73	32.02	85.00%
9	Fendigo BV	03 December 2015	Netherland	NA	EURO	80.04	2.40	15.27	33.27	15.60	-	111.16	7.57	1.57	6.00	15.65	85.00%
10	N-Vet AB	03 December 2015	Sweden	NA	SEK	7.79	4.67	141.81	195.93	49.45	-	254.88	46.46	10.58	35.88	15.57	85.00%
11	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	11 December 2015	Turkey	NA	TRY	16.42	16.42	280.89	550.28	252.97	-	550.00	205.46	35.18	170.28	-	60.00%
12	Alivira Animal Health Australia Pty Limited	24 July 2015	Australia	NA	AUD	-	-	-	-	-	-	-	-	-	-	-	100.00%
13	Interchange Veterinária Indústria E Comércio Ltda.	01 August 2016	Brazil	NA	BRL	19.65	255.85	(439.92)	321.07	505.14	-	605.07	3.92	1.70	2.22	-	70.00%
14	Aliviria Saude brasil participacoes Ltda	10 June 2016	Brazil	NA	BRL	19.65	19.31	(46.71)	226.60	254.00	226.50	-	(30.11)	-	(30.11)	-	100.00%
15	Vila Viña Participacions S.L.	01 July 2016	Spain	NA	EURO	80.04	170.61	90.31	269.19	8.27	242.88	15.70	58.46	0.38	58.08	60.03	60.00%
16	Laboratorios Karizoo, S.A.	01 July 2016	Spain	NA	EURO	80.04	28.55	402.36	1,484.64	1,053.73	19.54	2,408.99	185.01	40.49	144.52	48.02	60.00%
17	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	01 July 2016	Mexico	NA	PESO	3.57	21.82	9.18	88.47	57.47		193.02	12.55	4.67	7.88	-	60.00%
18	Comercial Vila Veterinaria De Lleida S.L.	01 July 2016	Spain	NA	EURO	80.04	0.72	44.32	95.84	50.80	0.06	280.79	11.20	2.80	8.40	2.40	60.00%
19	Phytotherapic Solutions S.L	01 July 2016	Spain	NA	EURO	80.04	2.40	79.82	108.86	26.64	-	178.29	35.61	8.90	26.72	9.60	60.00%
20	Alivira UA Limited, Ireland	03 September 2016	Ireland	NA	EURO	80.04	0.49	(0.36)	3.53	3.40	-	3.47	(0.36)	-	(0.36)	-	70.00%
21	Alivira France	02 February 2018	France	NA	EURO	80.04	60.03	-	60.03	-	-	-	-	-	-	-	70.00%

1 Names of subsidiaries which are yet to commence operations

a) Alivira Animal Health Australia Pty Limited, Australia
b) Alivira UA Limited, Ireland
c) Alivira France

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

a) SeQuent Global Holdings Limited
b) SeQuent Scientific Pte Limited, Singapore
c) SeQuent Penems Private Limited (consequent to demerger)
d) Naari Pharma Private Limited

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on 31 March 2018

Date: 09 August 2018
Place: Mumbai

Manish Gupta
Managing Director and CEO

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Annexure 2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31 March 2018
[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	21005	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 Anti Biotics Private Limited Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka, India	U24230KA2010PTC053487	Subsidiary	100	Section 2(87)
4	SeQuent Pharmaceuticals Private Limited (Formerly known as SeQuent Oncolytics Private Limited) Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka	U24230KA2010PTC053584	Subsidiary	99.99	Section 2(87)
5	Elysian Life Sciences Private Limited Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka, India	U24232KA2010PTC052742	Subsidiary	100	Section 2(87)
6	Alivira Animal Health Limited, Red City Road, Fethard, Co. Tipperary E91 ET26, Ireland	NA	Subsidiary	100	Section 2(87)
7	Provet Veteriner Ürünleri San. ve Tic. A. Ş. Çavuşoğlu Mah. Samanyolu Cad. No:28 Kartal/İstanbul	NA	Subsidiary	60	Section 2(87)

Sl. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
8	Topkim İlaç Premiks San. ve Tic. A. Ş (Topkim) Ruzgarlibahce Mah. Yeni Prs. Mvk Yesa ism. Blok.1 K.4 Beykoz	NA	Subsidiary	60	Section 2(87)
9	Alivira Animal Health Australia Pty Limited Level 18, 530 Collins Street, Melbourne, VIC 3000	NA	Subsidiary	100	Section 2(87)
10	N-Vet AB Uppsala Science park, 751 83, Sweden	NA	Subsidiary	85	Section 2(87)
11	Fendigo BV Acacia 38, (5708 DJ) Helmond, the Netherlands	NA	Subsidiary	85	Section 2(87)
12	Fendigo SA Hermann Debrouxlaan 17, B-1160 Oudergem, Belgium	NA	Subsidiary	85	Section 2(87)
13	Interchange Veterinária Indústria E Comércio Ltda. Rua Angelo Esteves, 51 Jardim Miriam na Cidade de Campinas SP Cep 13.098-416	NA	Subsidiary	70	Section 2(87)
14	Aliviria Saude Brasil Participacoes Ltda Rua Bela Cintra, n° 904, 6° andar, na Cidade de São Paulo, Estado de São Paulo, CEP 01415-000, República Federativa do Brasil.	NA	Subsidiary	100	Section 2(87)
15	Vila Viña Participacions S.L. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
16	Laboratorios Karizoo, S.A. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
17	Laboratorios Karizoo, S.A. DE C.V. (Mexico) Avda. de las Fuentes, 70, Int. Bodega 5, Col. Parque Industrial Finsa – CP. 767246, El Marques, Queretaro	NA	Subsidiary	60	Section 2(87)
18	Comercial Vila Veterinaria De Lleida S.L. Calle gran (ptda. Llivia), Lleida, 25195 , Lerida	NA	Subsidiary	60	Section 2(87)
19	Phytotherapic Solutions S.L Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
20	Alivira UA Limited. 25-28, North Wall Quay, I.F.S.C., Dubin 1, Ireland	NA	Subsidiary	70	Section 2(87)
21	Alivira France 14 Rue Scandicci Tour Essor, 93500 Pantin	NA	Subsidiary	75	Section 2(87)

Notes:

1. Pursuant to the scheme of demerger, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company.
2. SeQuent Global Holdings Limited ('SGHL'), was wound up vide order dated 6 April 2017.
3. SeQuent Scientific Pte Limited was wound up on 8 January 2018
4. Naari Pharma Private Limited ceases to be the subsidiary from 27 July 2018.

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

i. Category-wise Shareholding

Shareholding pattern

(Equity Share Capital Breakup as Percentage of Total Equity)

SeQuent Scientific Limited Face Value ₹ 2/- - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	55799895	0	55799895	22.89	55899895	0	55899895	22.93	0.04
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	77071230	0	77071230	31.62	77071230	0	77071230	31.62	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Persons Acting In Concert(Corp.Bodies)	6481705	0	6481705	2.66	6481705	0	6481705	2.66	0.00
g) Persons Acting In Concert (Individuals)	150000	0	150000	0.06	150000	0	150000	0.06	0.00
Sub Total : A(1)	**139502830**	**0**	**139502830**	**57.24**	**139602830**	**0**	**139602830**	**57.28**	**0.04**
(2) Foreign									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : A(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoters (A)=(A)(1) + (A)(2)	**139502830**	**0**	**139502830**	**57.24**	**139602830**	**0**	**139602830**	**57.28**	**0.04**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	14965769	0	14965769	6.14	11417019	0	11417019	4.68	-1.46
b) Banks/FI	12270	0	12270	0.01	60124	0	60124	0.02	0.02
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	30483449	0	30483449	12.51	29170557	0	29170557	11.97	-0.54

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
Sub Total : B(1)	**45461488**	**0**	**45461488**	**18.65**	**40647700**	**0**	**40647700**	**16.68**	**-1.97**
(2) Non - Institutions									
a) Bodies Corporates									
ai) Indian	23236315	0	23236315	9.53	25115479	0	25115479	10.30	0.77
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
bi) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	8318157	51275	8369432	3.43	11331405	51275	11382680	4.67	1.24
bii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	17114501	0	17114501	7.02	16461161	0	16461161	6.75	-0.27
c) Any Other (Specify)									
c-1) Foreign Portfolio Investors	140817	0	140817	0.06	1018309	0	1018309	0.42	0.36
c-2) Non Resident Indians (Individuals)	7752190	0	7752190	3.18	7590804	0	7590804	3.11	-0.07
c-3) Directors	316740	0	316740	0.13	320240	0	320240	0.13	0.00
c-4) Trusts	1792500	0	1792500	0.74	1448700	0	1448700	0.59	-0.14
c-5) Clearing Member	49382	0	49382	0.02	148092	0	148092	0.06	0.04
c-6) Foreign Individuals (Including Fdi)	0	0	0	0.00	200	0	200	0.00	0.00
Sub Total : B(2)	**58720602**	**51275**	**58771877**	**24.11**	**63434390**	**51275**	**63485665**	**26.05**	**1.93**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**104182090**	**51275**	**104233365**	**42.76**	**104082090**	**51275**	**104133365**	**42.72**	**-0.04**
C. Shares held by Custodian for GDRs & ADRs									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : (C)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Shares held by Custodian for GDRs & ADRs (C)=(C)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A + B + C)	**243684920**	**51275**	**243736195**	**100.00**	**243684920**	**51275**	**243736195**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	No.of Shares held at the beginning of the year			No.of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	TARINI ARUN KUMAR	500,000	0.21	0.00	500,000	0.21	0.00	0.00
2	PRONOMZ VENTURES LLP	23,032,560	9.45	0.00	27,000,000	11.08	0.00	1.63
3	K R RAVISHANKAR	27,899,930	11.45	0.00	27,899,930	11.45	0.00	0.00
4	ADITYA ARUN KUMAR	500,000	0.21	0.00	500,000	0.21	0.00	0.00
5	DEEPA ARUN KUMAR	500,000	0.21	0.00	500,000	0.21	0.00	0.00
6	KRISHNA KUMAR NAIR	500,000	0.21	0.00	500,000	0.21	0.00	0.00
7	AGNUS HOLDINGS PVT LTD	1,301,150	0.53	69.17	1,301,150	0.53	69.17	0.00
8	CHAYADEEP PROPERTIES PVT LTD	5,180,555	2.13	96.51	5,180,555	2.13	96.51	0.00
9	AGNUS CAPITAL LLP	25,125,000	10.31	30.97	21,157,560	8.68	60.88	-1.63
10	PADMAKUMAR KARUNAKARAN PILLAI	500,000	0.21	0.00	500,000	0.21	0.00	0.00
11	SAJITHA PILLAI	500,000	0.21	0.00	500,000	0.21	0.00	0.00
12	HEMALATHA PILLAI	500,000	0.21	0.00	500,000	0.21	0.00	0.00
13	VINEETHA MOHANAKUMAR PILLAI	500,000	0.21	0.00	500,000	0.21	0.00	0.00
14	CHAYADEEP VENTURES LLP	25,125,000	10.31	39.08	25,125,000	10.31	29.13	0.00
15	RAJITHA GOPALAKRISHNAN	500,000	0.21	0.00	500,000	0.21	0.00	0.00
16	ARUNKUMAR PILLAI	23,399,965	9.60	55.56	23,499,965	9.64	42.98	0.04
17	YALAVARTHY USHA RANI	150,000	0.06	0.00	150,000	0.06	0.00	0.00
18	DEVICAM CAPITAL LLP	3,788,670	1.55	0.00	3,788,670	1.55	0.00	0.00
	TOTAL	**139,502,830**	**57.24**	**26.16**	**139,602,830**	**57.28**	**28.64**	**0.04**

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

Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	KRISHNA KUMAR NAIR	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
2	At the beginning of the year	CHAYADEEP PROPERTIES PVT LTD	1 April 2017	5,180,555	2.13	5,180,555	2.13
	At the End of the year		31 March 2018	0	0.00	5,180,555	2.13
3	At the beginning of the year	CHAYADEEP VENTURES LLP	1 April 2017	25,125,000	10.31	25,125,000	10.31
	At the End of the year		31 March 2018	0	0.00	25,125,000	10.31
4	At the beginning of the year	AGNUS HOLDINGS PVT LTD	1 April 2017	1,301,150	0.53	1,301,150	0.53
	At the End of the year		31 March 2018	0	0.00	1,301,150	0.53
5	At the beginning of the year	DEVICAM CAPITAL LLP	1 April 2017	3,788,670	1.55	3,788,670	1.55
	At the End of the year		31 March 2018	0	0.00	3,788,670	1.55
6	At the beginning of the year	YALAVARTHY USHA RANI	1 April 2017	150,000	0.06	150,000	0.06
	At the End of the year		31 March 2018	0	0.00	150,000	0.06
7	At the beginning of the year	PRONOMZ VENTURES LLP	1 April 2017	23,032,560	9.45	23,032,560	9.45
			Bought : Inter Se Transfer	3,967,440	1.63	3,967,440	1.63
	At the End of the year		31 March 2018	0	0.00	27,000,000	11.08
8	At the beginning of the year	SAJITHA PILLAI	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21

Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
9	At the beginning of the year	AGNUS CAPITAL LLP	1 April 2017	25,125,000	10.31	25,125,000	10.31
			Sold; Inter Se Transfer	3,967,440	1.63	3,967,440	1.63
	At the End of the year		31 March 2018	0	0.00	21,157,560	8.68
10	At the beginning of the year	K R RAVISHANKAR	1 April 2017	27,899,930	11.45	27,899,930	11.45
	At the End of the year		31 March 2018	0	0.00	27,899,930	11.45
11	At the beginning of the year	RAJITHA GOPALAKRISHNAN	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
12	At the beginning of the year	PADMAKUMAR KARUNAKARAN PILLAI	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
13	At the beginning of the year	VINEETHA MOHANAKUMAR PILLAI	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
14	At the beginning of the year	ARUNKUMAR PILLAI	1 April 2017	23,399,965	9.60	23,399,965	9.60
		Bought		100,000	0.04		
	At the End of the year		31 March 2018	0	0.00	23,499,965	9.64
15	At the beginning of the year	DEEPA ARUN KUMAR	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
16	At the beginning of the year	HEMALATHA PILLAI	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
17	At the beginning of the year	ADITYA ARUN KUMAR	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21
18	At the beginning of the year	TARINI ARUN KUMAR	1 April 2017	500,000	0.21	500,000	0.21
	At the End of the year		31 March 2018	0	0.00	500,000	0.21

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

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	TIMF HOLDINGS	1 April 2017	13,347,370	5.48	13,347,370	5.48
	Date wise Increase / Decrease in Share holding during the year		2 June 2017	1,400,000	0.57	14,747,370	6.05
			7 July 2017	500,000	0.21	15,247,370	6.26
			1 September 2017	74,736	0.03	15,322,106	6.29
			8 September 2017	8,689	0.00	15,330,795	6.29
	At the end of the year		31 March 2018	0	0.00	15,330,795	6.29
2	At the beginning of the year	UNIT TRUST OF INDIA INVESTMENT ADVISORY	1 April 2017	14,138,395	5.80	14,138,395	5.80
	At the end of the year		31 March 2018	0	0.00	14,138,395	5.80

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3	At the beginning of the year	SBI PHARMA FUND	1 April 2017	11,662,019	4.78	11,662,019	4.78
	Date wise Increase / Decrease in Share holding during the year		6 October 2017	-320,000	0.13	11,342,019	4.65
			16 February 2018	75,000	0.03	11,417,019	4.68
	At the end of the year		31 March 2018	0	0.00	11,417,019	4.68
4	At the beginning of the year	DVI FUND MAURITIUS LTD	1 April 2017	9,394,295	3.85	9,394,295	3.85
	At the end of the year		31 March 2018	0	0.00	9,394,295	3.85
5	At the beginning of the year	LAXMI SHIVANAND MANKEKAR	1 April 2017	9,149,660	3.75	9,149,660	3.75
	Date wise Increase / Decrease in Share holding during the year		31 October 2017	-305,090	0.13	8,844,570	3.63
			1 December 2017	-500,000	0.21	8,344,570	3.42
			19 January 2018	-1,656,921	0.68	6,687,649	2.74
			9 February 2018	-580,579	0.24	6,107,070	2.51
	At the end of the year		31 March 2018	0	0.00	6,107,070	2.51
6	At the beginning of the year	SATPAL KHATTAR	1 April 2017	7,122,210	2.92	7,122,210	2.92
	At the end of the year		31 March 2018	0	0.00	7,122,210	2.92
7	At the beginning of the year	MORGAN STANLEY ASIA (SINGAPORE) PTE.	1 April 2017	4,616,799	1.89	4,616,799	1.89
	Date wise Increase / Decrease in Share holding during the year		6 October 2017	-40,018	0.02	4,576,781	1.88
			13 October 2017	-29,050	0.01	4,547,731	1.87
			20 October 2017	-19,317	0.01	4,528,414	1.86
			31 October 2017	-42,107	0.02	4,486,307	1.84
			3 November 2017	-5,839	0.00	4,480,468	1.84
			10 November 2017	-446,122	0.18	4,034,346	1.66
			1 December 2017	-81,859	0.03	3,952,487	1.62
			15 December 2017	-45	0.00	3,901,709	1.60
			19 January 2018	-2,183	0.00	3,899,526	1.60
	At the end of the year		31 March 2018	0	0.00	3,899,526	1.60
8	At the beginning of the year	TATA TRUSTEE CO. LTD. A/C TATA MUTUAL FUN	1 April 2017	3,303,750	1.36	3,303,750	1.36
	Date wise Increase / Decrease in Share holding during the year		5 May 2017	-161,000	0.07	3,142,750	1.29
			7 July 2017	-500,000	0.21	2,642,750	1.08
			4 August 2017	-125,000	0.05	2,517,750	1.03
			25 August 2017	-100,000	0.04	2,417,750	0.99
			22 September 2017	-50,000	0.02	2,367,750	0.97
			20 October 2017	-50,000	0.02	2,317,750	0.95
			3 November 2017	-140,000	0.06	2,177,750	0.89
			10 November 2017	-810,000	0.33	1,367,750	0.56
			19 January 2018	-66,000	0.03	1,301,750	0.53
			25 January 2018	-58,458	0.02	1,243,292	0.51
			2 February 2018	-60,000	0.02	1,183,292	0.49
			9 February 2018	-190,000	0.08	993,292	0.41
			23 February 2018	-993,292	0.41	0	0.00
	At the end of the year		31 March 2018	0	0.00	0	0.00
9	At the beginning of the year	RAPTAKOS BRETT AND CO. LTD.	1 April 2017	2,210,895	0.91	2,210,895	0.91
	At the end of the year		31 March 2018	0	0.00	2,210,895	0.91
10	At the beginning of the year	BOMBAY OXYGEN CORPORATION LTD.	1 April 2017	2,145,297	0.88	2,145,297	0.88
	At the end of the year		31 March 2018	0	0.00	2,145,297	0.88

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	**Gopakumar G Nair**						
	At the beginning of the year	1 April 2017	Opening Balance	116,740	0.05	116,740	0.05
	At the end of the year	31 March 2018	Closing Balance	116,740	0.05	116,740	0.05
2	**Manish Gupta**						
	At the beginning of the year	1 April 2017	Opening Balance	130,000	0.05	130,000	0.05
	Add: Shares Bought			2,000	0.00	2,000	0.00
	At the end of the year	31 March 2018	Closing Balance	132,000	0.05	132,000	0.05
3	**Dr. Kausalya Sathanam**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	-	-	-	-
4	**Narendra Mairpady**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	-	-	-	-
5	**Dr. S Devendra Kumar**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	-	-	-	-
6	**K E C Rajakumar**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	-	-	-	-
7	**Sharat Narasapur**						
	At the beginning of the year	1 April 2017	Opening Balance	70,000	0.03	70,000	0.03
	Add: Shares Bought			1,500	0.00	1,500	0.00
	At the end of the year	31 March 2018	Closing Balance	71,500	0.03	71,500	0.03
8	**Tushar Mistry**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	-	-	-	-
9	**Krupesh Mehta**						
	At the beginning of the year	1 April 2017	Opening Balance	-	-	-	-
	At the end of the year	31 March 2018	Closing Balance	50	0.00	50	0.00

V. Indebtedness

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year i.e., 01 April 2017				
i) Principal amount	871.86	-	-	871.86
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**871.86**	**-**	**-**	**871.86**
Change in indebtedness during the financial year				
Addition	40.15	-	-	40.15
Reduction	(69.09)	-	-	(69.09)
Transfer on demerger	(842.92)	-	-	(842.92)
Net change	**871.86**	**-**	**-**	**871.86**
Indebtedness at the end of the financial Year i.e., 31 March 2018				
i) Principal amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

(₹ in million)

Sl. No.	Particulars of Remuneration	Total Amount	
		Manish Gupta, Managing Director	**Total**
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.59	8.59
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock options granted during the year 2017-18	-	-
3.	Sweat equity granted during the year 2017-18	-	-
4.	Commission		
	- as % of Profit	-	-
	- Others, specify		
5.	Others, Variable pay accrued for the year 2017-18	1.64	1.64
	Total (A)	10.23	10.23
	Ceiling as per the Act	Total remuneration as per schedule V of Companies Act, 2013	

*Excludes Company's contribution to Provident Fund of ₹ 0.66 million for Mr. Manish Gupta

Note: Mr. Manish Gupta and Mr. Sharat Narasapur also received managerial remuneration of ₹ 10.93 million and ₹ 6.84 million respectively from Alivira Animal Health Limited, a subsidiary of the Company for the financial year 2017-18.

A. Remuneration to other directors

(₹ in million)

Sl. No.	Particulars of Remuneration	Name of directors					Total
		Dr. Gopakumar G Nair	**Dr. Kausalya Santhanam**	**Mr. Narendra Mairpady**	**Dr. S Devendra Kumar**	**Mr. K E C Rajakumar**	
1	Independent Directors	0.28	0.28	0.28	Nil	Nil	0.84
	- Fee for attending Board/ Committee Meetings						
	- Commission						
	- Others, please specify						
	Total (1)	0.28	0.28	0.28	Nil	Nil	0.84
2	Other Non-Executive Directors						
	- Fee for attending board/ Committee meetings						
	- Commission						
	- Others, please specify	Nil	Nil	Nil	0.20	0.10	0.30
	Total (2)	Nil	Nil	Nil	0.20	0.10	0.30
	Total (B) = (1+2)	0.28	0.28	0.28	0.20	0.10	1.14
	Overall ceiling as per the Act	1% of net profit and sitting fee of ₹ 0.10 million per Director per meeting					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Tushar Mistry, Chief Financial Officer	Krupesh Mehta, Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4.91	1.23	6.14
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2.	Stock Options granted during the year 2017-18			
3.	Sweat Equity granted during the year 2017-18			
4.	Commission			
	- as % of profit			
	- Others, specify			
5.	Others, Variable Pay for the year 2017-18	1.08	-	1.08
	Total	**5.99**	**1.23**	**7.22**

*Excludes Company's contribution to PF ₹ 0.28 million and ₹ 0.06 million for Mr. Tushar Mistry and Mr. Krupesh Mehta respectively.

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

Annexure 3

SeQuent Nomination and Remuneration Policy

Introduction

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

Definition

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

‘Board’ means the Board of Directors of the Company.

‘Committee’ means the Nomination and Remuneration Committee

‘Directors’ mean Directors of the Company.

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

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

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

Scope of the Policy

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

Nomination and Remuneration Committee

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

The Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that 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 position for which he/ she will be proposed to be appointed. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- The company shall not appoint any person as Managing Director/ Whole-time Director who has not completed the age of twenty one years and who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of members by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- The Committee shall ensure to achieve Board diversity

Board Diversity

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

Term/ Tenure

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

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

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

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

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

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

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

The Committee may review this policy as and when required.

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

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

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

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

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

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

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

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

- Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the act or without the prior sanction of the Central

Government, where required he/ she shall refund such funds to the company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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

Remuneration to Non-Executive Director / Independent Director:

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

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

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

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

Remuneration to other employees of the Company

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

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

Employee Stock Option Scheme

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

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

Amendments and Updations

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

Annexure 4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

We have examined on test basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2018, according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

a. The Drugs & Cosmetics Act, 1940;

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

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

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

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws as mentioned in (vi) above, in addition to the above mentioned Laws (i to v) and applicable to the Company and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

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

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

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

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

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

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

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

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

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

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

We further report that during the audit period the following specific events / action had a major bearing on the Company's affairs and statutory compliances in pursuance of the above referred laws, rules, regulations, guidelines etc. viz.

(i) The Company has received approval of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 09.03.2018 for the Scheme of Arrangement involving Demerger of Human API Business of the Company with Solara Active Pharma Sciences Limited. The said scheme was made effective w.e.f. 31.03.2018 consequent upon filing of eForm INC 28 with the Registrar of Companies, Mumbai.

Nilesh Shah
Nilesh Shah & Associates
FCS : 4554
C.P. : 2631

Date: 02 August 2018
Place: Mumbai

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

'ANNEXURE A'

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

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

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

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

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

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

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

Nilesh Shah
Nilesh Shah & Associates
FCS : 4554
C.P. : 2631

Date: 02 August 2018
Place: Mumbai

Annexure 5

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

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending 31 March 2018:	As on date of this Report, the Board comprises of 7 Directors consisting of 2 Executive Directors, 3 Independent Directors and 2 Non-Executive Director. The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000 for attending each meeting of the Board and ₹ 20,000 for attending each meeting of the Audit Committee and do not receive any other form of remuneration. The ratio of remuneration of Executive Directors to the median remuneration of the employees of the Company for the financial year 31 March 2018: Manish Gupta 77.36 Mr. Sharat Narasapur NA The median remuneration for the period under review is approximately ₹ 119,562.00

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ended 31 March 2018:

Sr. No.	Particulars	% Increase
1	Manish Gupta Managing Director and Chief Executive Officer	18%
2	Mr. Sharat Narasapur Joint Managing Director	NA
3	Mr. Tushar Mistry Chief Financial Officer	8.76%
4	Krupesh Mehta Company Secretary	-

c.	The percentage increase in the median remuneration of employees in the financial year ending 31 March 2018	(34.54%)
d.	The number of permanent employees on the rolls of Company as at 31 March 2018	109
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 8%.

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: Mumbai
Date: 09 August 2018

Dr. Gopakumar G Nair
Chairman

(i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

(ii) if there is an even number of observations, the median shall be the average of the two middle values

Annexure 6

Form No. AOC – 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended 31 March 2018 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 31 March 2018 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 million)	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 31 March 2018	The Company will supply Active Pharmaceutical Ingredients (Raw Materials) to Strides at prevailing market price	160.95	May 23, 2017	Nil
2	Alivira Animal Health Limited, India	Sale of material / services at cost plus 5% mark-up	Upto 31 March 2018	The Company will supply Active Pharmaceutical Ingredients and Intermediates to Alivira	701.68	May 23, 2017	Nil
		Loans and advances	Upto 31 March 2018	To fulfil the funding requirements as and when need arises	1,070.73	May 23, 2017	Nil

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

Place: Mumbai
Date: 09 August 2018

Dr. Gopakumar G Nair
Chairman

Annexure 7

Annual Report on CSR Activities

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

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

   Vision

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

   Mission

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

   Objectives

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

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

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

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

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

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

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

   The CSR Committee consists of the following members:

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

3. **Average net profit of the Company for last three financial years:** ₹ 29 million

4. **The prescribed CSR Expenditure (two per cent of the amount mentioned in item 3):** ₹ 0.6 million

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

   Prescribed CSR Expenditure: ₹ 0.6 million
   Total Amount spent during the year: Nil
   Amount unspent, if any: ₹ 0.6 million

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:** The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of Company CSR Policy and therefore, in the current financial year there was unspent amount of ₹ 0.60 million towards the CSR activities. Aforementioned unspent amount will be spent during current financial year.

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 CSR Committee of SeQuent Scientific Limited**

Place: Mumbai
Date: 09 August 2018

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.

			2017-18	2016-17
A.	**Power and fuel consumption :**			
1	**Electricity :**			
	(a)	Purchased	18,619,787	17,057,359
		Total amount (₹ in million)	**125.42**	**119.88**
		Rate / Unit (₹)	6.74	7.03
	(b)	Own Generation - through Diesel		
		Generator Set :	494,664	658,226
		Unit	3.21	3.39
		Units per-litre of diesel oil		
		Cost / Unit (₹)	11.46	14.05
2	**Coal :**			
		Quantity (tonnes)	NIL	NIL
		Total Cost (₹ in million)	**NIL**	**NIL**
		Average rate (₹)	NIL	NIL
3	**Furnace Oil / Light Diesel Oil:**			
	(A)	**Light Diesel Oil:**		
		Quantity (litres)	4,230	1,750
		Total amount (₹ in million)	**0.23**	**0.11**
		Rate / Litre (₹)	55.16	63.29
	(B)	**Furnace Oil :**		
		Quantity (litres)	463,519	839,282
		Total amount (₹ in million)	**10.32**	**18.16**
		Rate / Litre (₹)	22.26	21.64
	(C)	**Diesel :**		
		Quantity (litres)	15,600	19,000
		Total amount (₹ in million)	**0.89**	**1.04**
		Rate / Litre (₹)	56.93	54.68
4	**Others / Internal Generation :**			
	(A)	**Natural Gas**		
		Quantity (scm)	NIL	NIL
		Total Cost (₹ in million)	**NIL**	**NIL**
		Rate / Unit (₹)	NIL	NIL
	(B)	**Briquettes**		
		Quantity (Kg)	7,116,880	4,564,268
		Total Cost (₹ in million)	**41.00**	**27.15**
		Rate / Unit (₹)	5.76	5.95
	(C)	**Krr-Blaze**		
		Quantity (Kg)	NIL	NIL
		Total Cost (₹ in million)	**NIL**	**NIL**
		Rate / Unit (₹)	NIL	NIL

Form B

a. **Measures taken for the year 2017 – 18**

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

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

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

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

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

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

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

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

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

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

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

    b. Steps taken or impact on conservation of energy 2017-18

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

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

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

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

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

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

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

B. Technology Absorption

Research & Development (R&D):

a. Core areas of R&D:

1. Development and scale-up of Veterinary therapeutic and nutritional formulations for global markets.

2. Development and scale-up of Human and Veterinary generic APIs for regulated markets.

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

4. Product life cycle management by process improvements of existing commercial APIs and Formulations.

5. 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 and formulation dossiers.

3. Enhancing profits by continuous process improvements.

4. Effluent reduction by developing green technologies.

Expenditure on R&D

(₹ in million)

	2017-18	2016-17
Capital	-	-
Recurring	55.79	124.50
Total	**55.79**	**124.50**

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

Place: Mumbai
Date: 09 August 2018

Dr. Gopakumar G Nair
Chairman

Annexure 9

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 forming part of the Directors' Report for the year ended 31 March 2018

A. Details related to Employee Stock Option Scheme

In the Extraordinary General Meeting held on 08 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 2018, 14,45,200 equity shares (31 March 2017 – 17,90,000 equity shares) of ₹ 2 each are reserved towards outstanding Employee Stock Options granted / available for grant.

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 23 May 2017 has granted 50,000 options under SSL ESOP Scheme 2010 ("SeQuent ESOP 2010") to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares.

Option movement during the year 2017-18

Particulars	SeQuent ESOP 2010
Number of options outstanding as at 01 April 2017	29,25,000
Number of options granted during year	50,000
Number of options forfeited / lapsed during the year	1,89,200
Number of options vested during the year	10,08,750
Number of options exercised during the year	3,44,800
Number of shares arising as a result of exercise of options	3,44,800
Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	93,07,600
Options outstanding as at 31 March 2018	24,41,000
Options exercisable as at 31 March 2018	16,72,250

Variation of terms of options	Nil
Weighted average exercise price of options	₹ 29.00
Weighted average fair values of options	₹ 81.38
Range of exercise price for options outstanding at the end of the year	₹ 10 to 87 per option

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

Sl. No.	Name of employee	Designation	No. of options granted during the year	Exercise price
a.	Key managerial personnel/ Senior managerial personnel		Not Applicable	
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.	Dr. Saurabh Agarwal	Deputy General Manager	25,000	₹87 per option
2.	Dr. Abhishek Garg	Deputy General Manager	25,000	₹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	₹ 3,17,11,520
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 01 April 2017	17,90,000
(b)	Number of shares acquired during the year through	
	(i) primary issuance	Nil
	• '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	3,44,800
(d)	Number of shares held as at 31 March 2018	14,45,200

Description of ESOP that existed during the year

1.	Date of Shareholders Approval	24 September 2015	
2.	Total no. of options approved under ESOP	35,00,000 equity shares of ₹ 2.00 each	
3.	Vesting Requirement	Year	% of option vested
		1	25
		2	25
		3	25
		4	25
4.	Exercise price or pricing formula	Closing market prices of Company's equity shares on the stock exchange which has highest trading volume on a day prior of grant of option	
5.	Maximum term of options granted	4 years from the date of grant of option	
5.	Source of shares	Primary	
6.	Variation in terms of options	Nil	
7.	Method used to account for ESOP (Intrinsic or fair value)	Fair value	
8.	Where the Company opts for expensing of the options using the intrinsic value of the options	NA	

Corporate Governance Report

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

1. Company's Philosophy on Code of Governance

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

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

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

2. Board of Directors

Composition of Board

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

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

Board Meetings held during the year

During the year ended 31 March 2018, 4 (Four) Board Meetings were held. These meetings were held on May 23, 2017, August 3, 2017, November 9, 2017 and February 9, 2018.

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 31 March 2018

Name of the Director	Category of Director	Number of other Directorships	Number of memberships in other Board committees	Chairmanships in other Board Committees
Dr. Gopakumar G Nair	Independent Non-Executive Director	3	1	1
Mr. Manish Gupta	Executive Director	1	-	-
Mr. Sharat Narasapur	Executive Director	1	-	-
Dr. Kausalya Santhanam	Independent Non-Executive Director	-	-	-
Mr. Narendra Mairpady	Independent Non-Executive Director	8	3	5
Dr. S. Devendra Kumar	Non-Executive Director	1	-	-
Mr. K E C Rajakumar	Non-Executive Director	1	1	-

Notes:

1. No. of other directorships include directorships in Public Limited Companies and excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. The disclosure excludes directorships and the committee chairmanships and memberships in the Company.
3. The disclosure includes memberships and chairmanships in the Audit Committee and the

Stakeholders Relationship Committee in public limited companies and excludes all other memberships and chairmanships in other committees.

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

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

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

7. None of the Independent Directors serves as Independent Director in more than seven listed entities.

Separate Meeting of Independent Directors
In terms of provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on May 23, 2017 in the year 2017-18 without the presence of Non-Independent Directors and senior management of the Company.

The Independent Directors in the meeting inter-alia:

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

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

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

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

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

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

Sr. No.	Name of the Director	No. of Meetings held during the financial year 2017 - 2018	Attendance at the Board Meetings	Attendance at the last AGM
1.	Dr. Gopakumar Nair	4	4	Present
2.	Mr. Manish Gupta	4	4	Present
3.	Mr. Sharat Narasapur	4	3	Present
4.	Dr. Kauslaya Santhanam	4	4	Present
5.	Mr. Narendra Mairpady	4	4	Present
6.	Dr. S Devendra Kumar	4	4	Present
7.	Mr. K E C Rajakumar	4	2	Absent

3. AUDIT COMMITTEE

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

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

The Audit Committee has the following responsibilities/ powers:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.

3. To obtain outside legal or other professional advice.

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and 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.
As on date the Committee has three members consisting of Non-Executive Independent Directors.

During the year ended 31 March 2018, 4 (Four) Audit Committee Meetings were held. These meetings were held on May 23, 2017, August 3, 2017, November 9, 2016, February 9, 2018.

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

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

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

4. Nomination and Remuneration committee

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. Discussing and deciding on whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Director.

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

During the year ended 31 March 2018, 2 (Two) Nomination and Remuneration Committee meetings were held. These meetings were held on May 23, 2017 and February 9, 2018.

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

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

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

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

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

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

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

Remuneration paid to Directors

₹ in million

Name of the Director	Salary	Benefits	Bonus	Sitting Fees	Pension	Variable Pay	Total
Mr. Manish Gupta (Managing Director)#	8.59	-	-	-	-	1.64	10.23
Dr. Gopakumar G Nair (Independent Director)	-	-	-	0.28	-	-	0.28
Mr. Sharat Narasapur (Joint Managing Director	-	-	-	-	-	-	-
Dr. Kausalya Santhanam (Independent Director)	-	-	-	0.28	-	-	0.28
Mr. Narendra Mairpady (Independent Director)	-	-	-	0.28	-	-	0.28
Dr. S Devendra (Non-Executive Director)	-	-	-	0.20	-	-	0.20
Mr. K E C Rajakumar (Non-Executive Director)	-	-	-	0.10	-	-	0.10

Note: # Total remuneration of Mr. Manish Gupta excludes company's contribution to Provident Fund of ₹ 0.66 million. Mr. Manish Gupta also received remuneration of ₹ 10.93 million from Alivira Animal Health Limited, a Wholly- Owned Subsidiary of the Company for the financial year 2017-18. Mr. Sharat Narasapur received remuneration of ₹ 6.84 million from Alivira Animal Health Limited, a Wholly- Owned Subsidiary of the Company for the financial year 2017-18.

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

As on 31 March 2018, the Company has granted 2,000,000 stock options to Mr. Manish Gupta out of which 16,25,000 stock options have vested on him of which 1,25,000 stock options have been exercised.

250,000 stock options have been granted to Mr. Sharat Narasapur out of which 125,000 stock options have vested on him of which 62,500 stock options have been exercised.

During the financial year 2017-18, 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 Regulation 20 of the Listing 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 of the Company. The Committee is headed by Dr. Kausalya Santhanam, a Non-Executive Independent Director of the Company.

During the year ended 31 March 2018, 4 (Four) Meetings were held. These meetings were held on 23 May 2017, 3 August2017, 9 November 2017 and 9 February 2018.

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

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

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

Mr. Krupesh Mehta, Company Secretary has been appointed as the Compliance officer of the Company under Regulation 6 of the Listing Regulations.

Shareholders Complaint details
There were no complaints received from shareholders during the year.

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

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

The Company Secretary acts as the Secretary to the Committee.

The Committee met once on May 23, 2017 and all the Members attended the Meeting.

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
2014-15	24 September 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
2015-16	23 September 2016 11:30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the related party transactions of the Company. • Re-appointment of Dr. Gautam Kumar Das as Joint Managing Director
2016-17	26 September 2017 11:30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the related party transactions of the Company. • Appointment of Mr. Sharat Narasapur as Joint Managing Director

Postal Ballot/ E-voting
During Financial Year 2017-18 the Company conducted Postal Ballot to seek the approval of the shareholders for the Composite Scheme of Arrangement between the Company, Strides Shasun Limited and Solara Active Pharma Sciences Limited and their respective shareholders and creditors as directed by the Tribunal.

Mr. Nilesh Shah, Practicing Company Secretary, was appointed as the Scrutiniser for carrying out the postal ballot process in a fair and transparent manner. Notice of Postal Ballot was dated 21 November 2017 and the consolidated results of the same was announced on 27 December 2017.

No. of votes polled: 5,66,37,997

Votes cast in favor: 5,66,37,007 constituting 99.99% of the votes polled

Votes cast against: 990 constituting 0.01% of the votes polled

National Company Law Tribunal Convened Meeting:
As per the order of the Hon'ble National Company Law Tribunal, Mumbai Bench, meeting of the Shareholders of the Company was held on 26 December 2017 for the approval of the Composite Scheme of Arrangement between Strides Shasun Limited, the Company and Solara Active Pharma Sciences Limited. The details of the meeting are enlisted below.

Meeting	Day, Date and Time of Meeting	Venue	Details of Resolution passed
NCLT Convened Meeting Shareholders	Tuesday, 26 December 2017 at 12:00 noon	Hotel Satkar Grande, Wifi Park, Opp. Aplab Industries, Wagle Estate, Thane (West) - 400604	Approval of the Composite Scheme of Arrangement between Strides Shasun Limited, the Company and Solara Active Pharma Sciences Limited and their respective Shareholders and Creditors

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 45 to the standalone financial statements in the Annual Report.

   The Company has formulated policy for Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries called as SeQuent Scientific Limited.

   - Policy on Related Party Transactions and the same is displayed on the website of the Company i.e. www.sequent.in (web link: http://sequent.in/ pdf/policies/Sequent Policy on Determination of Material Subsidiaries.pdf) and http://www. sequent.in/pdf/policies/Sequent Policy%20 on%20Related%20 Party%20Transactions.pdf

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

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

iv. The Company had appointed Price Waterhouse Coopers Private Limited, as internal auditors of the Company for the financial year 2017-18. The reports of internal auditors are placed before the Audit Committee on a quarterly basis and the risk assessment and mitigation recommendations forms part of their presentation to the Audit Committee.

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

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

   The Board amended the existing Whistle Blower Policy to extend the applicability of the Policy to all the stakeholders of the Company and incorporate the applicable provisions of the Listing Regulations in the Policy and confirm that no personnel have been denied access to the Audit Committee.

vi. During the year ended 31 March 2018, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The Company has no commodity price risk and commodity hedging activities.

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

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

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

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

8. Appointment/ re- appointment of director

Mr. K E C Rajakumar

Mr. K E C Rajakumar, Director of the Company retires by rotation at this ensuing AGM and being eligible has offered himself for re-appointment at the AGM.

Mr. Raja Kumar has more than 16 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. He has served as a senior officer of the Indian Civil Services as Commissioner of Income Tax, 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 its Advisory Committees. He holds a Master's degree and an M. Phil in Science and is a graduate of the Advanced Management Program at Harvard Business School.

As on 31 March 2018, Mr. K E C Rajakumar does not hold any shares of the Company and has no outstanding stock options.

The details of directorships and committee memberships held by Mr. Rajakumar in other listed entities are as follows:

He holds Directorship in Consolidated Construction Consortium Limited and is also a member of Audit Committee.

Mr. K E C Rajakumar is not related to any other director of the Company.

Shareholding of Non-Executive Directors:

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

Name	No. of shares held as at 31 March 2018
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

(b) The results are published generally in The Free Press Journal (English) and Nav-Shakti (Marathi) newspaper.

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

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

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

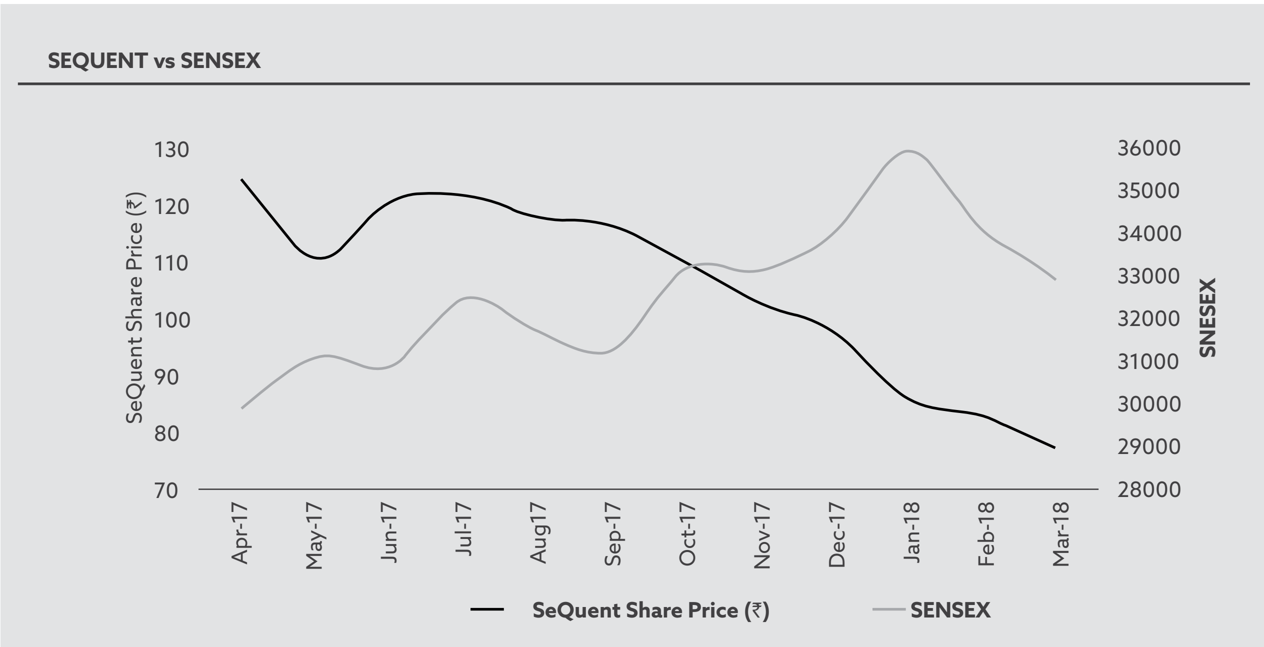
10. General shareholder information

AGM: Date, Time and Venue	Thursday, September 27, 2018, 11.30 a.m. Hotel Satkar Residency Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (West) - 400 606
Financial Year	1 April 2017 to 31 March 2018
Dividend payment date	The Company had declared an Interim Dividend at 10% on equity shares of ₹ 2 each (₹0.20 per equity share) in November 2017 and the same was paid by first week of December 2017.
Listing on Stock Exchanges	Stock Code : BSE: 512529 **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 NSE: SEQUENT **The National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Bloomberg: SEQ:IN ISIN : INE807F01027 The Company has paid listing fee for the financial year 2018 -19 to the Stock Exchanges.
Registrar & Transfer Agents	Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059, Maharashtra Contact Person: Mr. Sandeep Holam Phone No.+91 22 4227 0400 Email Address: sandeep@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. Krupesh Mehta Company Secretary SeQuent Scientific Limited 301, 'Dosti Pinnacle', Plot No.E7, Road No.22, Wagle Industrial Estate, Thane(West) -400 604 Email: investors@sequent.in

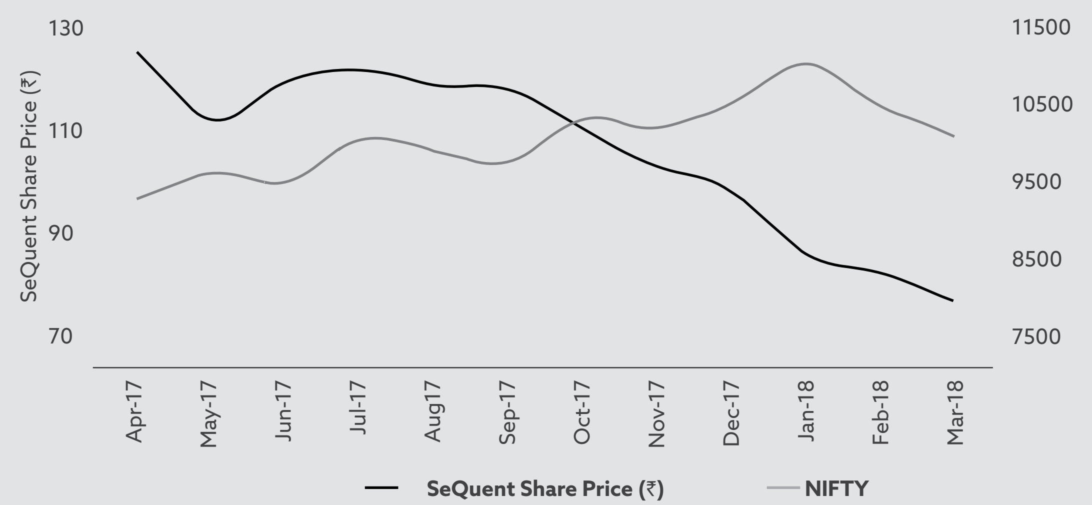
Market Price Data (High, Low during each month in financial year 2017-18)

Month	BSE High ₹	BSE Low ₹	NSE High ₹	NSE Low ₹
April 2017	134.90	124.00	134.80	124.00
May 2017	147.00	105.45	145.30	104.20
June 2017	129.00	108.00	129.50	111.10
July 2017	127.05	112.35	127.50	109.10
August 2017	132.40	109.00	132.50	108.35
September 2017	133.80	111.95	134.80	112.10
October 2017	123.75	109.70	124.30	109.50
November 2017	111.80	96.00	111.65	96.40
December 2017	104.00	97.00	104.00	96.55
January 2018	109.80	84.15	109.25	84.00
February 2018	87.00	65.00	86.90	62.15
March 2018	94.20	74.00	94.45	73.25

Performance in Share comparison to BSE and NSE Indices



SEQUENT vs NIFTY



Distribution schedule as at 31 March 2018

	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
1-500	9,487	73.07	1,556,898	3,113,796	0.64
501-1000	1,384	10.66	1,148,641	2,297,282	0.47
1001-2000	818	6.30	1,257,307	2,514,614	0.52
2001-3000	346	2.67	885,312	1,770,624	0.36
3001-4000	167	1.29	598,633	1,197,266	0.25
4001-5000	160	1.23	763,498	1,526,996	0.31
5001-10000	253	1.95	1,866,616	3,733,232	0.77
10001 & above	368	2.83	235,659,290	471,318,580	96.69
Total	**12,983**	**100**	**243,736,195**	**487,472,390**	**100**

Bifurcation of shares held in physical and demat as at 31 March 2018

Particulars of Equity Shares	Equity Shares of ₹ 2 each	
	Number	% of Total
NSDL	227,316,942	93.26
CDSL	16,367,978	6.72
Sub-Total	243,684,920	99.98
Physical Form	51,275	0.02
TOTAL	**243,736,195**	**100.00**

Shareholding pattern of Equity Shares as at 31 March 2018

Category	Number of shareholders	Number of shares held	% to total paid up capital
Promoters & Promoter Group Companies	18	139,602,830	57.28
Bodies Corporate	311	25,096,907	10.30
Banks / Mutual Funds/ Financial Institutions (FIs)	4	11,477,143	4.71
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	40	30,188,866	12.39
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	244	7,590,804	3.11
Resident Individuals	12,292	27,843,841	11.42
Directors (Excluding promoter directors) & their relatives	3	320,240	0.13
Trusts	2	3,500	0.00
Others	69	1,612,064	0.66
TOTAL	**12,983**	**243,736,195**	**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., National Securities Depository Limited (NSDL) and Central Depository Services (Indi) Limited (CDSL) through Adroit Corporate Services Private Limited, Registrars and Share Transfer Agents. As on 31 March 2018, 243,684,920 shares representing 99.98% of the paid-up share capital of the Company were held in dematerialised mode.

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

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

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

Under ESOP 2010, 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 31 March 2018 are provided in the table below

Sr. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1.	Total number of options outstanding at the beginning of the year	29,25,000
2.	Total number of options granted under ESOP 2010 during the Year	50,000
3.	Options vested during the year	10,08,750
4.	Options exercised during the year	3,44,800
5.	Options lapsed or forfeited during the year	1,89,200
6.	Total number of options outstanding at the end of the year	24,41,000

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

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

Plant Locations

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

11. CODE OF CONDUCT

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

The Code of Conduct is also posted on the website of the Company. All Board Members and Senior Management personnel have confirmed compliance with the code for the financial year 2017 – 18.

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

In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, I hereby confirm that; all the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for the Members of the Board and the Senior Management, as applicable to them, in respect of the financial year 2017-18.

Note: The information given herein above is as of 31 March 2018, unless otherwise stated.

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

Place: Mumbai
Date: 9 August 2018

Mr. Manish Gupta
Managing Director and Chief Executive Officer

Independent Auditor's Certificate

To the members of Sequent Scientific Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated October 31, 2017.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of SeQuent Scientific Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate

   Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

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

Sathya P. Koushik
Partner
(Membership No. **206920**)

Place: Mumbai
Date: 09 August 2018

Independent Auditor's Report

To the Members of
Sequent Scientific Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of SEQUENT SCIENTIFIC LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) In respect of continuing operations, we did not audit the financial statements of eleven subsidiaries included in the consolidated IndAS financial statements, whose financial statements reflect total assets of Rs. Rs.4,598.09 million as at 31 March, 2018, total revenues of Rs. 5,754.23 million and net cash outflows amounting to Rs. 72.91 million for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

    In respect of discontinuing operations, we did not audit the financial statements of one subsidiary included in the consolidated IndAS financial statements, whose financial statements reflect total revenues of Rs. 1,75.59 million and net cash outflows amounting to Rs. 0.14 million for the period, as considered in the consolidated financial statements.

(b) In respect of continuing operations we did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of Rs. 36,54.01 million as at 31 March, 2018, total revenues of Rs.10.03 million and net cash inflows amounting to Rs. 46.38 million for the year ended on that date, as considered in the consolidated Ind AS financial statements.

    In respect of discontinuing operations, we did not audit the financial statements of one subsidiary included in the consolidated IndAS financial statements, whose financial statements reflect total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.05 million for the period, 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 Ind AS 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 Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries incorporated in India, referred in the Other Matters paragraph above we report that:

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

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

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

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2018 taken on record by the Board of Directors of the Parent 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 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

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

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

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

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 24 May 2018
SPK/JKS/2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph '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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of SEQUENT SCIENTIFIC LIMITED (hereinafter referred to as "the Parent Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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 two 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)

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 24 May 2018
SPK/JKS/2018

Consolidated Balance Sheet

as at 31 March 2018

All amounts are in ₹ million unless otherwise stated

		Notes	As at 31 March 2018	As at 31 March 2017
A	**ASSETS**			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3	2,135.14	3,995.29
	(b) Capital work-in-progress	3	134.06	15.94
	(c) Goodwill	4	2,021.93	2,242.37
	(d) Other intangible assets	5	602.65	605.62
	(e) Intangible assets under development	5	46.32	309.54
	(f) Financial assets			
	(i) Investments	6	2,217.33	3,639.74
	(ii) Loans	7	-	4.50
	(iii) Other financial assets	8	49.54	54.49
	(g) Deferred tax assets (net)	25	211.91	211.19
	(h) Income tax assets (net)	9A	44.81	91.43
	(i) Other non-current assets	9B	583.78	598.66
	Total non-current assets		**8,047.47**	**11,768.77**
2.	**Current assets**			
	(a) Inventories	10	1,585.74	1,608.07
	(b) Financial assets			
	(i) Investments	11	173.45	641.16
	(ii) Trade receivables	12	2,583.49	2,546.19
	(iii) Cash and cash equivalents	13	395.44	435.21
	(iv) Bank balances other than (iii) above	14	29.04	38.83
	(v) Loans	15	116.77	23.42
	(vi) Other financial assets	16	19.15	90.96
	(c) Other current assets	17	477.07	560.22
			5,380.15	**5,944.06**
	Asset classified as held for sale	18,42	-	1,333.31
	Total current assets		**5,380.15**	**7,277.37**
	Total assets		**13,427.62**	**19,046.14**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	19	487.47	487.47
	(b) Other equity	20	5,988.30	9,280.44
	Equity attributable to owners of the Company		**6,475.77**	**9,767.91**
	(c) Non- controlling interest	21	369.85	172.18
	Total equity		**6,845.62**	**9,940.09**
II	**Liabilities**			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22	1,035.45	1,651.39
	(ii) Other financial liabilities	23	1,029.39	546.24
	(b) Provisions	24	74.90	145.03
	(c) Deferred tax liabilities (net)	25	108.11	88.88
	(d) Other non-current liabilities	26	24.84	39.02
	Total non-current liabilities		**2,272.69**	**2,470.56**
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	27	1,524.07	1,947.00
	(ii) Trade payables	28	1,604.92	2,030.41
	(iii) Other financial liabilities	29	737.28	1,032.75
	(b) Provisions	30	25.42	13.49
	(c) Current tax liabilities (net)	31	89.72	51.94
	(d) Other current liabilities	32	327.90	377.63
	Total current liabilities		**4,309.31**	**5,453.22**
	Liabilities directly associated with assets classified as held for sale	42	-	1,182.27
	Total liabilities		**6,582.00**	**9,106.05**
	Total equity and liabilities		**13,427.62**	**19,046.14**
	See accompanying notes to the consolidated financial statements			

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

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

		Notes	Year ended 31 March 2018	Year ended 31 March 2017
I	Revenue from operations	33	8,494.48	6,890.06
II	Other income	34	165.81	110.77
III	**Total income (I+II)**		**8,660.29**	**7,000.83**
IV	**Expenses**			
(a)	Cost of materials consumed	35.a	3,445.94	2,443.81
(b)	Purchases of stock-in-trade	35.b	1,418.41	1,225.05
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	35.c	(239.43)	(101.85)
(d)	Excise duty on sale of goods		16.10	54.37
(e)	Employee benefit expenses	36	1,138.28	1,062.23
(f)	Finance costs	37	330.69	283.40
(g)	Depreciation and amortisation expenses	38	413.43	400.73
(h)	Other expenses	39	1,885.38	1,777.00
	Total expenses (IV)		**8,408.80**	**7,144.74**
V	**Profit/(loss) from continuing operations before tax and exceptional items (III-IV)**		**251.49**	**(143.91)**
VI	Exceptional items	40	15.04	-
VII	**Profit/(loss) from continuing operations before tax (V-VI)**		**236.45**	**(143.91)**
VIII	**Tax expense**	41		
	(a) Current tax		119.68	70.65
	(b) MAT credit entitlement		(0.39)	-
	(c) MAT credit entitlement written off		28.67	-
	(d) Deferred tax		(13.39)	(37.66)
	(e) Taxes pertain to prior year		-	(38.26)
	Total tax expenses/ (credits)		**134.57**	**(5.27)**
IX	**Profit/(loss) from continuing operations after tax (VII-VIII)**		**101.88**	**(138.64)**
X	Profit/(loss) from discontinued operations	42	105.47	(24.09)
	Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations	42	4,100.95	-
	Profit from discontinued operations before tax	42	**4,206.42**	**(24.09)**
	Tax expense of discontinued operations			
	(a) Current tax		36.27	1.14
	(b) MAT credit entitlement		(36.27)	-
	Profit/(loss) from discontinued operation after tax (X)	42	**4,206.42**	**(25.23)**
XI	**Profit/(loss) for the year (IX+X)**		**4,308.30**	**(163.87)**
XII	**Other comprehensive income**			
A.	Items that will not be reclassified to profit or loss	20		
	(a) Remeasurement gain/(loss) on defined benefit plans		8.25	(1.44)
	(b) Fair value gain / (loss) from investment in equity instruments		(1,419.54)	33.91
B.	Items that may be reclassified to profit or loss	20		
	(a) Exchange differences on translation of foreign operations		24.47	(34.85)
	(b) Exchange differences on net investment in foreign operations		(0.36)	(40.79)
	Total other comprehensive income (XII)		**(1,387.18)**	**(43.17)**
XIII	**Total comprehensive income for the year (XI+XII)**		**2,921.12**	**(207.04)**
Profit for the year attributable to:				
- Owners of the Company			4,215.66	(138.24)
- Non-controlling interest			92.64	(25.63)
			4,308.30	**(163.87)**
Other comprehensive income for the year attributable to:				
- Owners of the Company			(1,395.48)	(29.81)
- Non-controlling interest			8.30	(13.36)
			(1,387.18)	**(43.17)**
Total comprehensive income for the year attributable to:				
- Owners of the Company			2,820.18	(168.05)
- Non-controlling interest			100.94	(38.99)
			2,921.12	**(207.04)**
Earnings per equity share (for continuing operations)				
(1)	Basic (in ₹)	44	(0.11)	(0.88)
(2)	Diluted (in ₹)	44	(0.11)	(0.88)
Earnings per equity share (for discontinued operations)				
(1)	Basic (in ₹)	44	17.51	0.31
(2)	Diluted (in ₹)	44	17.40	0.31
Earnings per equity share (for continuing and discontinued operations)				
(1)	Basic (in ₹)	44	17.40	(0.57)
(2)	Diluted (in ₹)	44	17.29	(0.57)
See accompanying notes to the consolidated financial statements				

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Consolidated Statement of Cash Flows
for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities			
Net profit/ (loss) before tax (from continuing and discontinued operations)		4,457.91	(168.00)
Adjustments for:			
Depreciation, amortisation and impairment		532.97	660.65
Tangible/intangible assets written off		-	2.57
Advances written off		-	1.22
Bad trade receivables written off		15.05	0.62
Bad loans and advances written off		5.60	-
Provision for doubtful trade receivables		12.44	9.47
Unrealised forex loss/(gain) (net)		42.95	138.20
Profit on sale of investment		(1.61)	(0.74)
(Profit)/loss on sale of property, plant and equipment (net)		(3.45)	0.11
Finance costs		397.03	423.34
Dividend income		(19.00)	(16.60)
Share-based payment to employees		33.31	74.54
Interest income		(38.81)	(10.61)
Fair value gain on financial instruments at fair value through profit or loss		(14.07)	(38.98)
Rental income		-	(10.68)
Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations		(4,100.95)	-
Operating profit before working capital changes		**1,319.37**	**1,065.11**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		(668.77)	(556.20)
(Increase)/decrease in inventories		(584.73)	(233.13)
(Increase)/decrease in margin money and unpaid dividend accounts		10.98	12.69
Increase/(decrease) in trade payables, other payables and provisions		463.80	(267.08)
Net change in working capital		**(778.72)**	**(1,043.72)**
Cash generated from operations		**540.65**	**21.39**
Direct taxes (paid)/refund (net)		(88.26)	(93.29)
Net cash generated from operating activities	A	**452.39**	**(71.90)**
Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(470.22)	(787.44)
Proceeds from sale of fixed assets		21.11	36.18
Proceeds from sale of long term investments		0.38	-
Purchase of current investments		-	(590.35)
Proceeds from sale of current investments		484.42	665.34
Purchase of long term investments		-	(0.83)
Dividend received		19.00	16.60
Consideration paid for acquisition of subsidiaries		-	(751.68)
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries		-	118.09
Cash & cash equivalents pursuant to disposal of subsidiaries		(22.25)	-
Interest received		39.24	11.63
Advance consideration received on sale of subsidiary		-	110.00
Rental income		-	10.68
Net cash used in investing activities	B	**71.68**	**(1,161.78)**

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from financing activities			
Proceeds from short-term borrowings		334.57	1,238.20
Proceeds from long-term borrowings		76.72	911.52
Repayment of long-term borrowings		(583.28)	(712.83)
Dividends paid		(48.46)	-
Dividend distribution tax paid		(9.92)	-
Interest and other borrowings cost paid - (including borrowing cost capitalised ₹1.38), (31 March 2017 ₹5.89)		(328.35)	(367.94)
Proceeds from issue of shares (including proceeds from stock options exercised by employees)		7.13	405.43
Payment (to)/from minority interest (net)- including sale proceeds (including advances received) on divestment of part stake in subsidiary companies and issue of preference shares by subsidiary companies to external parties		(18.00)	-
Net cash generated from financing activities	C	**(569.59)**	**1,474.38**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	**(45.52)**	**240.70**
Cash and cash equivalents at beginning of the year		**440.96**	**200.26**
Cash and cash equivalents at end of the year		**395.44**	**440.96**
Reconciliation of cash and cash equivalents as per Balance Sheet			
Cash and cash equivalents as per Balance Sheet (Refer note 13)		395.44	435.21
Cash and cash equivalents classified as assets held for sale (Refer note 42 B)		-	5.75
Net cash and cash equivalents at the end of the year		**395.44**	**440.96**

Notes: The cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations.
See accompanying notes to the consolidated financial statements

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	243,736,195	487.47	238,236,195	476.47
Changes in equity share capital during the year	-	-	5,500,000	11.00
Balance at the end of the year	243,736,195	487.47	243,736,195	487.47

(b) Other equity

	Reserves & surplus (note 20)													
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve	Gross obligation to non- controlling interest under put options	Other reserves	Retained earnings	Fair value of equity instruments through other comprehensive income (note 20)	Money received against share warrants	Attributable to owners of the parent	Non-controlling interest (note 21)	Total
Balance at 01 April 2016	11.10	9,591.72	109.87	144.44	(52.43)	100.04	(357.83)	(1,136.27)	(2,000.92)	2,440.22	130.63	8,980.57	22.17	9,002.74
Profit for the year	-	-	-	-	-	-	-	-	(138.24)	-	-	(138.24)	(25.63)	(163.87)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(63.66)	-	-	(0.06)	33.91	-	(29.81)	(13.36)	(43.17)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(63.66)**	**-**	**-**	**(138.30)**	**33.91**	**-**	**(168.05)**	**(38.99)**	**(207.04)**
Recognition of share-based payments	-	-	45.63	-	-	-	-	-	-	-	-	45.63	-	45.63
Issue of share against warrants	-	-	-	-	-	-	-	-	-	-	(130.63)	(130.63)	-	(130.63)
Non-controlling interest arising on the acquisition/ incorporation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	178.59	178.59
Non-controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	-	66.29	66.29
ESOP trust consolidated	-	-	-	-	11.98	-	-	-	-	-	-	11.98	-	11.98
Movement in translation reserve during the year	(0.68)	-	-	-	-	-	-	-	-	-	-	(0.68)	-	(0.68)
Recognition of put option liability during the year	-	-	-	-	-	-	(0.35)	-	-	-	-	(0.35)	-	(0.35)
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	(55.88)	(55.88)
Premium on shares issued during the year	-	511.50	-	-	-	-	-	-	-	-	-	511.50	-	511.50
Premium on exercise of options - proceeds received	-	27.43	-	-	-	-	-	-	-	-	-	27.43	-	27.43
Vested ESOP lapsed during the year	-	-	-	3.04	-	-	-	-	-	-	-	3.04	-	3.04
Balance at 31 March 2017	10.42	**10,130.65**	**155.50**	**147.48**	**(40.45)**	**36.38**	**(358.18)**	**(1,136.27)**	**(2,139.22)**	**2,474.13**	**-**	**9,280.44**	**172.18**	**9,452.62**
Profit for the year	-	-	-	-	-	-	-	-	4,215.66	-	-	4,215.66	92.64	4,308.30
Other comprehensive income for the year, net of income tax	-	-	-	-	-	16.07	-	-	7.99	(1,419.54)	-	(1,395.48)	8.30	(1,387.18)
Total comprehensive income for the year	-	**-**	**-**	**-**	**-**	**16.07**	**-**	**-**	**4,223.65**	**(1,419.54)**	**-**	**2,820.18**	**100.94**	**2,921.12**

All amounts are in ₹ million unless otherwise stated

	Reserves & surplus (note 20)													
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve	Gross obligation to non- controlling interest under put options	Other reserves	Retained earnings	Fair value of equity instruments through other comprehensive income (note 20)	Money received against share warrants	Attributable to owners of the parent	Non-controlling interest (note 21)	Total
Recognition of share-based payments	-	-	20.26	-	-	-	-	-	-	-	-	20.26	-	20.26
ESOP trust consolidated	-	-	-	-	7.79	-	-	-	-	-	-	7.79	-	7.79
Non-controlling interest arising on the acquisition/ incorporation of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	15.49	15.49
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	-	(42.37)	(42.37)
Non controlling interest relating to sale of subsidiaries and demerger	-	-	-	-	-	-	-	-	-	-	-	-	100.51	100.51
Movement in translation reserve during the year	1.74	-	-	-	-	-	-	-	-	-	-	1.74	-	1.74
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	56.60	56.60
Recognition of put option liability during the year	-	-	-	-	-	-	(386.14)	-	-	-	-	(386.14)	-	(386.14)
Adjustments on account of demerger (Refer note 42C)	-	(1,794.63)	-	-	-	-	-	-	(3,915.37)	-	-	(5,710.00)	-	(5,710.00)
Premium on exercise of options - proceeds received	-	9.12	-	-	-	-	-	-	-	-	-	9.12	-	9.12
Vested ESOP lapsed during the year	-	-	-	3.29	-	-	-	-	-	-	-	3.29	-	3.29
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	-	-	(58.38)	-	-	(58.38)	(33.50)	(91.88)
Balance at 31 March 2018	**12.16**	**8,345.14**	**175.76**	**150.77**	**(32.66)**	**52.45**	**(744.32)**	**(1,136.27)**	**(1,889.32)**	**1,054.59**	**-**	**5,988.30**	**369.85**	**6,358.15**

See accompanying notes to the consolidated financial statements

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Notes

to the consolidated financial statements for the year ended 31 March 2018

1. CORPORATE INFORMATION

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

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

2A. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

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

- Share-based payment transaction as defined in Ind AS 102 – Share based payment.
- Leasing transaction as defined in Ind AS 17 – Leases.
- Measurement that have some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of assets.

(iii) Functional and presentation currency

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

(iv) Basis of consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries drawn up to the dates specified in note 48. Subsidiaries are all entities over which the Group has control. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

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

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

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

(v) Business combination

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

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

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

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

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

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

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

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If the excess is a negative, a bargain purchase gain is recognised in capital reserve.

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

Notes

to the consolidated financial statements for the year ended 31 March 2018

(vi) Non-current assets held for sale

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

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

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

(vii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Services

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

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

In case of long-term contracts involving multiple activities, revenue is recognised 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.

Export entitlements

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

Interest and dividend income

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

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

(viii) Leases

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

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

(ix) Foreign currency transactions and translation

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items

The assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interest as appropriate).

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

(x) Borrowing costs

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

Notes

to the consolidated financial statements for the year ended 31 March 2018

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

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

(xi) Employee benefits

a) Defined benefit plans

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

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

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense and 'finance costs' respectively. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognise any related restructuring costs.

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

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

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

(xii) Share-based compensation

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

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

(xiii) Taxation

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

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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

b) Deferred tax

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

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

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

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

(xiv) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, properties in the course of

Notes
to the consolidated financial statements for the year ended 31 March 2018

construction are carried at cost, less any recongnised impairment loss are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

Nature of the Assets	Useful life in years
Buildings	10-60
Plant and machinery	3-12
Furniture and fixtures	5-10
Office equipment	5
Computers	3-6
Vehicles	3-8

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

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

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

(xv) Intangible assets

a) Intangible assets acquired separately
Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

b) Internally generated intangible asset- research and development expenditure
Expenditure on research activities is recognised as an expense in the year in which it is incurred.

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

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

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

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

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

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

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

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

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

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

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

(xvii) Provisions and contingent liabilities

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

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

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

Contingent liabilities are not recognised but are disclosed in the notes to consolidated financial statements. Contingent assets are not recognised but are disclosed in the notes to consolidated financial statements when economic inflow is probable.

(xviii) Financial instruments

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

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

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

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

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

a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

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

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

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

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument shall be measured at FVTOCI if both of the following conditions are met:

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

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

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

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

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

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

(iv) Financial assets at fair value through profit and loss (FVTPL)

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Group has not designated any financial asset as FVTPL.

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

(iv) Derecognition of financial assets

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

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b) **Non-derivative financial liabilities**

(i) **Financial liabilities at amortised cost**

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

(ii) **Financial liabilities at FVTPL**

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

c) **Derivative financial instruments**

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

d) **Financial guarantee contracts**

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

e) **Derecognition of financial liabilities**

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

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

- The fair value of financial assets/ liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
- For foreign currency denominated financial assets/ liabilities measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in statement of profit and loss.
- For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

(xix) **Impairment**

Financial assets

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

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

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

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

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

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

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

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

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Non-financial assets

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

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be

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

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

(xx) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

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

(xxi) Insurance claims

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

(xxii) Cash and cash equivalents

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

(xxiii) Segment

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

(xxiv) Exceptional items

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

2B. Use of estimates and management judgments

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

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

(i) Useful life of property, plant and equipment and intangible assets

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

(ii) Impairment

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

(iii) Deferred tax

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

(iv) Fair value

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

(v) Post-retirement benefit plans

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

(vi) Provisions and contingencies

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

2C. New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange

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rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 01 April 2018. The Group is evaluating the effect of this on the financial statements.

Ind AS 115 - Revenue from contract with customers:
On 28 March 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from contracts with customers. The standard replaces Ind AS 11 Construction contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers.

The new standard permits two possible methods of transition:

- Retrospective approach - An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.
- Cumulative catch-up approach - An entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

The Group is evaluting the effect of this new standard on revenue trends in the financial statements. The standard is effective for annual periods beginning on or after 01 April 2018:

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
3 Property, plant and equipment and capital work-in-progress		
Carrying amounts of:		
Freehold land	83.29	541.55
Lease hold property-development	1.36	2.26
Buildings	771.21	1,394.19
Furniture and fixtures	27.68	39.36
Office equipments	9.90	12.09
Computers	13.04	14.46
Plant and machinery	1,147.20	1,943.30
Vehicles	81.46	48.08
	2,135.14	**3,995.29**
Capital work-in-progress	134.06	15.94
Total	**2,269.20**	**4,011.23**

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All amounts are in ₹ million unless otherwise stated

Cost	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2016	491.10	0.81	1,459.76	32.56	20.11	16.08	2,480.71	54.69	4,555.82
Additions	-	-	230.69	14.47	5.20	14.10	387.14	8.47	660.07
Assets acquired	60.53	1.54	59.77	10.23	-	4.17	166.54	25.65	328.43
Effect of foreign currency exchange differences	(4.40)	-	(46.48)	(1.97)	(0.62)	(0.63)	(55.54)	(11.32)	(120.96)
Borrowing cost capitalised	-	-	2.11	-	-	-	3.78	-	5.89
Reclassified from assets held for sale	-	-	28.26	-	-	-	-	-	28.26
Deletions	-	-	16.58	0.46	0.85	-	41.03	5.09	64.01
Assets classified as held for sale (Refer note 42B)	5.68	-	172.93	6.25	2.71	8.56	408.18	0.08	604.39
Balance as on 31 March 2017	**541.55**	**2.35**	**1,544.60**	**48.58**	**21.13**	**25.16**	**2,533.42**	**72.32**	**4,789.11**
Additions	-	-	21.83	0.90	3.63	6.99	97.43	58.79	189.57
Effect of foreign currency exchange differences	8.15	(0.07)	(2.72)	0.37	(0.18)	0.43	7.33	1.49	14.80
Borrowing cost capitalised	-	-	-	-	-	-	1.38	-	1.38
Deletions	-	-	-	-	-	0.44	33.93	13.05	47.42
Transferred on account of demerger (Refer note 42C)	466.41	0.79	656.10	12.05	3.47	1.66	928.76	2.94	2,072.18
Balance as on 31 March 2018	**83.29**	**1.49**	**907.61**	**37.80**	**21.11**	**30.48**	**1,676.87**	**116.61**	**2,875.26**

Accumulated depreciation and impairment	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2016	-	0.04	96.09	5.61	6.23	5.66	358.91	7.98	480.52
Depreciation expense for the year	-	0.05	83.18	5.39	5.05	9.07	360.02	20.95	483.71
Effect of foreign currency exchange differences	-	-	(12.34)	(0.65)	(0.18)	(0.41)	(12.11)	(4.39)	(30.08)
Deletions	-	-	-	0.33	-	-	24.54	0.28	25.15
Assets classified as held for sale (Refer note 42B)	-	-	16.52	0.80	2.06	3.62	92.16	0.02	115.18
Balance as on 31 March 2017	**-**	**0.09**	**150.41**	**9.22**	**9.04**	**10.70**	**590.12**	**24.24**	**793.82**
Depreciation expense for the year	-	0.07	55.72	3.88	4.24	7.64	257.00	21.52	350.07
Effect of foreign currency exchange differences	-	-	(3.84)	(0.18)	(0.10)	0.08	(2.18)	0.29	(5.93)
Deletions	-	-	-	-	-	0.36	7.68	10.40	18.44
Transferred on account of demerger (Refer note 42C)	-	0.03	65.89	2.80	1.97	0.62	307.59	0.50	379.40
Balance as on 31 March 2018	**-**	**0.13**	**136.40**	**10.12**	**11.21**	**17.44**	**529.67**	**35.15**	**740.12**

Carrying amount	Freehold land	Lease hold property-development	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2017	**541.55**	**2.26**	**1,394.19**	**39.36**	**12.09**	**14.46**	**1,943.30**	**48.08**	**3,995.29**
Balance as on 31 March 2018	**83.29**	**1.36**	**771.21**	**27.68**	**9.90**	**13.04**	**1,147.20**	**81.46**	**2,135.14**

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
4 Goodwill		
Carrying amounts of:		
Cost	2,021.93	2,242.37
	2,021.93	**2,242.37**

Cost	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	2,242.37	1,297.87
Additional amounts recognised/ reversed from business combinations	(102.97)	909.85
Impairment on goodwill (Refer note 40)	(79.00)	-
Effect of foreign currency exchange differences	(38.47)	34.65
Balance at the end of the year	**2,021.93**	**2,242.37**

Goodwill is monitored by the management of the Group at each subsidiary level cash-generating unit (CGU). The Group tests goodwill for impairment on an annual basis. The recoverable amount has been determined based on value in use calculations which uses cash flow projections based on financial budgets approved by management covering a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase / steady terminal growth rate) and appropriate discount rate that reflects current market assessments of time value of money and risks specific to the CGU. The planning horizon reflects the assumptions for short to mid-term market developments.

During the year, the Group has recognised impairment loss with respect to goodwill that arose on certain business combinations. The average growth rate used in extrapolating cash flows beyond the planning period is 4% for the year ended 31 March 2018. Discount rate used is 15.6% for the year ended 31 March 2018 which is estimated based on weighted average cost of capital of respective CGU. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU. Based on the impairment assessment, the management has determined an impairment loss in the value of goodwill amounting to ₹79 (31 March 2017 ₹Nil). The same has been included in the statement of profit and loss under 'Exceptional items' (Refer note 40).

	As at 31 March 2018	As at 31 March 2017
5 Other intangible assets		
Carrying amounts of:		
Product/ process development	7.52	63.35
Acquired software	62.60	11.73
Brands, marketing rights and trade mark	464.67	443.20
Know how	0.01	0.01
Customer relationship	67.85	87.33
	602.65	**605.62**
Intangible assets under development	46.32	309.54
	648.97	**915.16**

Cost	Product/ process development	Acquired software	Brands, marketing rights and trade mark	Know how	Customer relationship	Registration fees	Total
Balance as on 01 April 2016	159.96	13.82	405.53	4.02	-	-	583.33
Additions	23.12	10.71	-	-	-	-	33.83
Additions on business combinations	-	1.26	207.82	-	102.74	-	311.82
Effect of foreign currency exchange differences	-	(0.58)	(57.26)	-	-	-	(57.84)
Assets classified as held for sale (Refer note 42B)	-	2.65	-	4.02	-	-	6.67
Balance as on 31 March 2017	**183.08**	**22.56**	**556.09**	**-**	**102.74**	**-**	**864.47**
Additions	41.18	89.57	136.07	-	-	1.66	268.48
Effect of foreign currency exchange differences	-	0.06	(4.10)	-	(4.49)	-	(8.53)
Transferred on account of demerger (Refer note 42C)	180.87	23.33	-	-	-	-	204.20
Balance as on 31 March 2018	**43.39**	**88.86**	**688.06**	**-**	**98.25**	**1.66**	**920.22**

Accumulated amortisation and impairment	Product/ process development	Acquired software	Brands, marketing rights and trade mark	Know how	Customer relationship	Registration fees	Total
Balance as on 01 April 2016	60.75	3.07	26.27	1.57	-	-	91.66
Amortisation expense for the year	58.98	9.01	108.68	0.31	15.48	-	192.46
Effect of foreign currency exchange differences	-	(0.08)	(22.06)	-	(0.07)	-	(22.21)
Assets classified as held for sale (Refer note 42B)	-	1.17	-	1.89	-	-	3.06
Balance as on 31 March 2017	**119.73**	**10.83**	**112.89**	**(0.01)**	**15.41**	**-**	**258.85**
Amortisation expense for the year	29.18	17.34	112.33	-	16.04	1.56	176.45
Effect of foreign currency exchange differences	-	0.20	(1.83)	-	(1.05)	0.10	(2.58)
Transferred on account of demerger (Refer note 42C)	113.04	2.11	-	-	-	-	115.15
Balance as on 31 March 2018	**35.87**	**26.26**	**223.39**	**(0.01)**	**30.40**	**1.66**	**317.57**

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Carrying amount	Product/ process development	Acquired software	Brands, marketing rights and trade mark	Know how	Customer relationship	Registration fees	Total
Balance as on 31 March 2017	**63.35**	**11.73**	**443.20**	**0.01**	**87.33**	**-**	**605.62**
Balance as on 31 March 2018	**7.52**	**62.60**	**464.67**	**0.01**	**67.85**	**-**	**602.65**

		Face value	No. of shares	As at 31 March 2018	No. of shares	As at 31 March 2017
6	**Non-current financial assets**					
A	**Quoted equity instruments carried at fair value through other comprehensive income**					
i)	Strides Shasun Limited	₹10.00	3,312,500	2,216.56	3,312,500	3,638.78
ii)	Accions Banc Sabadell	€ 0.13	2,800	0.40	2,800	0.26
iii)	Accions Caixabank	€ 1.00	220	0.06	220	0.05
iv)	Accions Banco Popular Español	€ 0.10	-	-	363	0.02
v)	Accions Endesa	€ 1.20	98	0.10	98	0.09
vi)	Accions Bantierra	-	-	0.02	-	0.02
vii)	Fons Inversio Banco Popular (Ev Gar Extramoda)	€ 1.00	-	-	47	0.33
viii)	Accions Caixabank	€ 1.00	220	0.06	220	0.06
	Total (A)			**2,217.20**		**3,639.61**
B	**Unquoted equity instruments carried at cost**					
i)	Ambarnath Chemical Manufacturers	₹10.00	1,000	0.01	1,000	0.01
ii)	Tarapur Industrial Manufacturers	₹10.00	2,000	0.04	2,000	0.04
	Total (B)			**0.05**		**0.05**
C	**Investment in government securities carried at amortised cost**					
i)	National Saving Certificate			0.02		0.02
ii)	NSC VIII Issue - Tarapur			0.06		0.06
	Total (C)			**0.08**		**0.08**
	Total (A + B + C)			**2,217.33**		**3,639.74**
	Aggregate carrying value of unquoted investments			0.13		0.13
	Aggregate market value of quoted investments			2,217.20		3,639.61

	As at 31 March 2018	As at 31 March 2017
7 Non-current loans		
Unsecured, considered goods		
Loan to other parties	-	4.50
Total	**-**	**4.50**

	As at 31 March 2018	As at 31 March 2017
8 Other non-current financial assets		
Security deposits	35.36	41.62
Margin money deposits	14.18	12.87
Total	**49.54**	**54.49**

	As at 31 March 2018	As at 31 March 2017
9A Income tax assets (net)		
Advance income tax (net of provision ₹182.19) (As at 31 March 2017 ₹174.27)	44.81	91.43
Total	**44.81**	**91.43**

	As at 31 March 2018	As at 31 March 2017
9B Other non-current assets		
Capital advances	18.74	20.66
Security deposit with government authorities	0.64	1.40
Prepaid expenses	564.40	576.60
Total	**583.78**	**598.66**

	As at 31 March 2018	As at 31 March 2017
10 Inventories		
(At lower of cost and net realisable value)		
Raw materials and packing materials	548.97	504.86
Goods-in-transit	0.52	-
	549.49	**504.86**
Work-in-progress and intermediates	325.03	372.02
Finished goods	696.09	714.07
Goods-in-transit	4.33	12.15
	700.42	**726.22**
Stock-in-trade	8.96	0.76
Fuel	1.84	4.21
Total	**1,585.74**	**1,608.07**

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All amounts are in ₹ million unless otherwise stated

		Face value	No. of shares/ units	As at 31 March 2018	No. of shares/ units	As at 31 March 2017
11	**Current investments**					
A	**Quoted equity instruments (fully paid-up) - carried at fair value through other comprehensive income**					
i)	Agrodutch Industries Limited	₹10.00	36,250	-*	36,250	0.04
ii)	Transchem Limited	₹10.00	32,500	1.06	32,500	0.73
iii)	Techindia Nirman Limited	₹10.00	18,270	0.14	18,270	0.09
iv)	Nath Bio Genes (I) Limited	₹10.00	6,930	2.86	6,930	1.03
v)	Agritech (India) Limited	₹10.00	6,300	0.75	6,300	0.24
	Total (A)			**4.81**		**2.13**
B	**Other unquoted equity instruments (fully paid-up) - carried at cost**					
	Aditya Investment & Communication Limited	₹10.00	58,800	-*	58,800	-*
	Total (B)			**-**		**-**
C	**Unquoted mutual funds - carried at cost fair value through profit or loss**					
i)	Hulk Bank		-	18.63	-	18.33
ii)	Garanti Bank		-	15.00	-	0.05
iii)	Reliance Liquid Fund - Treasury Plan - Daily Dividend Option		-	-	88,319	135.02
iv)	Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		-	-	2,129	8.42
v)	Birla Sun Life Savings Fund - Growth - Regular Plan		-	-	232,888	209.24
vi)	UTI Short Term Income Fund - Institutional Option - Growth		6,391,607	135.01	11,224,894	223.81
vii)	IDFC Corporate Bond Fund		-	-	13,656,142	44.16
	Total (C)			**168.64**		**639.03**
	Total (A + B + C)			**173.45**		**641.16**
	Aggregate market value of quoted investments			4.81		2.13
	Aggregate carrying value of unquoted investments			-*		-*
	Aggregate net asset value of investment in mutual funds			168.64		639.03

*Not reported due to round off.

	As at 31 March 2018	As at 31 March 2017
12 Trade receivables		
Unsecured, considered good	2,583.49	2,546.19
Unsecured, considered doubtful	54.51	81.94
	2,638.00	2,628.13
Less: Allowance for doubtful trade receivables	54.51	81.94
Total	**2,583.49**	**2,546.19**

During the year, the Group discounted trade receivables with an aggregate carrying amount of ₹49.91 (as at 31 March 2017 ₹181.12) to a bank for cash proceeds of same value. If trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as financial liability.

	As at 31 March 2018	As at 31 March 2017
13 Cash and cash equivalents		
Balances with banks		
- In current accounts	393.30	430.29
- In deposit accounts	-	0.01
Cash on hand	2.14	3.46
Cheques, drafts on hand	-	1.45
Total	**395.44**	**435.21**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**395.44**	**435.21**

	As at 31 March 2018	As at 31 March 2017
14 Bank balances other than (note 13) above		
In earmarked accounts		
- Unpaid dividend accounts	0.10	0.10
- Margin money deposits (Refer note (i) below)	28.94	38.73
Total	**29.04**	**38.83**

Note:

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

	As at 31 March 2018	As at 31 March 2017
15 Current loans		
Unsecured, considered good		
Loan to related parties	-	0.11
Loan to employees	4.79	5.70
Loan to other parties	111.98	17.61
	116.77	**23.42**
Unsecured, considered doubtful		
Loan to other parties	9.55	9.62
	9.55	**9.62**
Less: Allowance for doubtful loans	9.55	9.62
	-	**-**
Total	**116.77**	**23.42**

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	As at 31 March 2018	As at 31 March 2017
16 Other current financial assets		
Claims receivable	17.62	71.95
Derivative instruments (fair value)	-	11.15
Interest accrued on fixed deposits	1.53	1.96
Security deposit	-	5.90
Total	**19.15**	**90.96**

	As at 31 March 2018	As at 31 March 2017
17 Other current assets		
Advance to suppliers	77.76	131.24
Balances with government authorities	363.41	380.22
Prepaid expenses	33.22	41.97
Advance tax (net of provision - ₹ Nil) (As at 31 March 2017 - ₹ Nil)	2.57	4.05
Others	0.11	2.74
Total	**477.07**	**560.22**

	As at 31 March 2018	As at 31 March 2017
18 Assets classified as held for sale		
Assets held for sale	-	1,333.31
Total	**-**	**1,333.31**

Note:

During the year, the Company has sold investments in Naari Pharma Private Limited (an erstwhile subsidiary) and recognised a gain of ₹174.55 million under 'Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations'.

	No. of Shares	As at 31 March 2018	No. of Shares	As at 31 March 2017
19 Share capital				
(a) Authorised				
Equity shares of ₹2 each	250,000,000	500.00	250,000,000	500.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹2 each	243,736,195	487.47	243,736,195	487.47
Total		**487.47**		**487.47**

Notes:

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

	No. of Shares	Share capital
Fully paid equity shares		
Balance at 01 April 2016	238,236,195	476.47
Shares issued during the year	5,500,000	11.00
Balance at 31 March 2017	**243,736,195**	**487.47**
Shares issued during the year	-	-
Balance at 31 March 2018	**243,736,195**	**487.47**

Note:

Conversion of warrants

Previous Year:

Conversion of 5,500,000 warrants issued during FY 2016-17 on preferential basis at a conversion price of ₹95 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 31 March 2015.

(ii) Terms/rights attached to equity shares

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

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

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

	As at 31 March 2018		As at 31 March 2017	
Name of the shareholder	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
K R Ravishankar	27,899,930	11.45%	27,899,930	11.45%
Chayadeep Ventures LLP	25,125,000	10.31%	25,125,000	10.31%
Agnus Capital LLP	21,157,560	8.68%	25,125,000	10.31%
Arun Kumar Pillai	23,499,965	9.64%	23,399,965	9.60%
Pronomz Ventures LLP	27,000,000	11.08%	23,032,560	9.45%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.80%	14,138,395	5.80%
TIMF Holdings	15,330,795	6.29%	13,347,370	5.48%

(iv) 1,445,200 shares of ₹2 each (As at 31 March 2017 1,790,000 shares) are reserved towards outstanding employee stock options granted / available for grant.

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

	As at 31 March 2018	As at 31 March 2017
Equity shares	**17,927,065**	**17,927,065**

	As at 31 March 2018	As at 31 March 2017
20 Other equity		
Capital reserve	12.16	10.42
Securities premium account	8,345.14	10,130.65
Employees stock options outstanding	175.76	155.50
General reserve	150.77	147.48
Retained earnings	(1,889.32)	(2,139.22)
Reserve for equity instruments through other comprehensive income	1,054.59	2,474.13
Treasury reserve	(32.66)	(40.45)
Translation reserve	52.45	36.38
Gross obligation to non- controlling interest under put options	(744.32)	(358.18)
Other reserves	(1,136.27)	(1,136.27)
Total	**5,988.30**	**9,280.44**

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	As at 31 March 2018	As at 31 March 2017
(a) Capital reserve		
Balance at the beginning of the year	10.42	11.10
Add: Exchange difference	1.74	(0.68)
Balance at the end of the year	**12.16**	**10.42**
(b) Securities premium account		
Balance at the beginning of the year	10,130.65	9,591.72
Add: Premium on shares issued during the year	-	511.50
Add: Premium on exercise of options - proceeds received	9.12	27.43
Less: Adjustments on account of demerger (Refer note 42C)	(1,794.63)	-
Balance at the end of the year	**8,345.14**	**10,130.65**
(c) Employees stock options outstanding		
Balance at the beginning of the year	155.50	109.87
Add: Amounts recorded on grants during the year	3.71	35.61
Add: Deferred stock compensation expense	16.55	10.02
Balance at the end of the year	**175.76**	**155.50**
(d) General reserve		
Balance at the beginning of the year	147.48	144.44
Add: Vested employee stock options lapsed during the year	3.29	3.04
Balance at the end of the year	**150.77**	**147.48**
(e) Retained earnings		
Balance at the beginning of the year	(2,139.22)	(2,000.92)
Add/ (less): Profit/ (loss) for the year	4,215.66	(138.24)
Add/(less): other comprehensive income arising from remeasurement of defined benefit obligations, net of income tax	7.99	(0.06)
Less: Dividend distributed to equity shareholders (including tax on dividend)	(58.38)	-
Less: Adjustments on account of demerger	(3,915.37)	-
Balance at the end of the year	**(1,889.32)**	**(2,139.22)**
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	2,474.13	2,440.22
Net fair value gain/ (loss) on investment in equity instrument at FVTOCI	(1,419.54)	33.91
Balance at the end of the year	**1,054.59**	**2,474.13**
(g) Treasury reserve		
Balance at the beginning of the year	(40.45)	(52.43)
Employee stock options issued during the year	7.79	11.98
Balance at the end of the year	**(32.66)**	**(40.45)**
(h) Translation reserve		
Balance at the beginning of the year	36.38	100.04
Movement during the year	24.11	(75.64)
Transfer to non-controlling interest	(8.04)	11.98
Balance at the end of the year	**52.45**	**36.38**
(i) Gross obligation to non-controlling interest under put options		
Balance at the beginning of the year	(358.18)	(357.83)
Movement during the year	(386.14)	(0.35)
Balance at the end of the year	**(744.32)**	**(358.18)**
(j) Other reserve		
Balance at the beginning of the year	(1,136.27)	(1,136.27)
Balance at the end of the year	**(1,136.27)**	**(1,136.27)**

Note: Other reserves represents premium on acquisition of the non-controlling interest in Alivira Animal Health Limited, India.

	As at 31 March 2018	As at 31 March 2017
21 Non-controlling interest		
Balance at the beginning of the year	172.18	22.17
Share of profit/loss for the year	92.64	(25.63)
Share of other comprehensive income for the year	8.30	(13.36)
Non-controlling interest arising on the acquisition/ incorporation of subsidiaries	15.49	178.59
Non-controlling interest relating to sale of subsidiaries	100.51	-
Dividend outflow	(33.50)	-
Put option derecognised (net)	(42.37)	66.29
Reinstatement of opening non-controlling interest on acquisition	56.60	(55.88)
Balance at the end of the year	**369.85**	**172.18**

	As at 31 March 2018	As at 31 March 2017
22 Non-current borrowings		
Secured term loan - at amortised cost		
From bank	19.14	213.96
From other parties	832.28	1,203.67
Unsecured term loan - at amortised cost		
From bank	82.48	94.86
From other parties	101.55	138.90
Total	**1,035.45**	**1,651.39**

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

Particulars	Security	Terms of repayment	As at 31 March 2018		As at 31 March 2017	
			Secured	Unsecured	Secured	Unsecured
Term loan from banks:						
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	-	-	43.57	-
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	-	-	82.09	-
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 instalments	-	-	60.00	-
Halk Bankasi A.S. Turkey	Secured against leased machinery of subsidiary TOPKİM TOPKAPI İLAÇ PREMİKS SANAYİ VE TİCARET A.Ş., Turkey	Repayable in 47 monthly equal instalments	3.74	-	16.36	-
B.S.C.H.	First pari-passu charge on fixed assets of the Karizoo Spain K1 building	Repayable in 120 monthly instalments, commencing from October 2008. Repaid fully on September 2017		-	1.59	-
Banc Sabadell	First pari-passu charge on fixed assets of the Karizoo Spain K4 building	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully on February 2028	3.11	-	2.94	-
Banc Sabadell	First pari-passu charge on fixed assets of the Karizoo Spain K4 building	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully on February 2028	7.83	-	7.41	-
Halk Bankasi A.S. Turkey	Hypothecation of the respective asset (vehicle)	Repayable in 24 monthly instalments, commencing from September 2017. Repayable fully on August 2019	4.46	-	-	-
Banco Popular	Unsecured	Repayable in 60 monthly instalments, commencing from May 2013. Repaid fully on April 2017	-	-	-	0.16
Ibercaja	Unsecured	Repayable in 60 monthly instalments, commencing from August 2014. Repayable fully on July 2019	-	0.53	-	1.83
Bankia	Unsecured	Repayable in 48 monthly instalments, commencing from November 2014. Repaid fully on October 2017	-	-	-	1.06
B.B.V.A.	Unsecured	Repayable in 60 monthly instalments, commencing from June 2015. Repayable fully on May 2020	-	1.24	-	1.97
Deustche Bank	Unsecured	Repayable in 48 monthly instalments, commencing from August 2015. Repayable fully on July 2019	-	0.98	-	3.36
Banco Popular	Unsecured	Repayable in 38 monthly instalments, commencing from March 2017. Repayable fully on March 2020	-	10.88	-	18.68
Bankinter	Unsecured	Repayable in 36 monthly instalments, commencing from March 2017. Repayable fully on April 2020	-	8.82	-	14.57
Bankia	Unsecured	Repayable in 60 monthly instalments, commencing from April 2017. Repayable fully on March 2022	-	60.03	-	52.04
B.B.V.A.	Unsecured	Repayable in 36 monthly instalments, commencing from August 2015. Repaid fully on July 2017	-	-	-	1.19
Total			**19.14**	**82.48**	**213.96**	**94.86**

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Particulars	Security	Terms of repayment	As at 31 March 2018		As at 31 March 2017	
			Secured	Unsecured	Secured	Unsecured
Term loans from other parties and judicial recovery:						
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 Instalments, commencing from July 2012	-	-	14.10	-
Export and Import Bank of India	First charge on the entire fixed assets of the subsidiary Alivira Animal Health Limited, India, including immovable properties both present and future, second charge over current assets of the subsidiary both present and future, unconditional and irrevocable corporate guarantee of SeQuent Scientific Limited to the extent of the shareholding in the subsidiary. Personal guarantee of promoter Mr Arun Kumar Pillai to the extent of ₹50 Crores. First charge / assignment on all intangibles assets of the subsidiary	Repayable in 26 quarterly Instalments, commencing from August 2016	704.76	-	896.24	-
Toyota Financial Services India Limited	Hypothecation of assets (vehicle)	Repayable in 60 monthly instalments, commencing from October 2017	1.21	-	-	-
Toyota Financial Services India Limited	Hypothecation of assets (vehicle)	Repayable in 28 monthly instalments, commencing from January 2018	1.44	-	-	-
Export and Import Bank of India	First pari-passu charge on entire fixed assets of Alivira Animal Health Limited, India, pledge of 60% shares of Provet Veteriner Ürünleri San. ve Tic. A.Ş., held by Alivira Animal Health Limited, Ireland, pledge of shares of Alivira Animal Health Limited, Ireland held by Alivira Animal Health Limited, India and corporate guarantee of Alivira Animal Health Limited, India	Repayable in 16 quarterly instalments, commencing from March 2016	124.87	-	293.33	-
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from August 2014. Repaid fully on July 2017	-	-	-	0.09
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from November 2014. Repaid fully on October 2017	-	-	-	0.34
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from June 2015. Repayable fully on May 2019	-	0.07	-	0.42
BMW Finance	Unsecured	Repayable in 48 monthly instalments, commencing from November 2015. Repayable fully on October 2019	-	3.39	-	3.54
Volkswagen Finance	Unsecured	Repayable in 48 monthly instalments, commencing from April 2016. Repayable fully on March 2020	-	0.47	-	0.77
ICF	Unsecured	Repayable in 60 monthly instalments, commencing from October 2015. Repayable fully on July 2022	-	11.86	-	14.32
FITCH PARTICIPACOES LTDA	Unsecured	The loan is repayable on the mutual agreement	-	1.09	-	26.01
Judiciary	Unsecured	The loan is repayable in half yearly 18 unequal instalments and the repayment commenced from 07 November 2016 i.e., eighteen months after the date of judgement from 0.50% to 10.50% of the principal amount	-	84.67	-	93.41
Total			**832.28**	**101.55**	**1,203.67**	**138.90**

The interest on above term loan from bank and other parties (other than loan from Banco popular,Bankia,Bankinter,Volkswagen Finance,BMW Finance,ICF,Fitch Participacoes Ltda and Halk Bankasi A.S. Turkey) are linked to the respective lender's base rates which are floating in nature. As of 31 March 2018 the interest rates ranges from 1.73% to 12.75% per annum.

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

	As at 31 March 2018	As at 31 March 2017
Term loan from banks	3.74	16.36
Term loan from other parties	704.76	910.34

(iii) For the current maturities of long-term borrowings, refer note 29 in other current liabilities.

	As at 31 March 2018	As at 31 March 2017
23 Other non-current financial liabilities		
Put option liability	953.47	524.96
Interest accrued but not due	13.12	10.02
Finance lease obligation	62.80	11.26
Total	**1,029.39**	**546.24**

	As at 31 March 2018	As at 31 March 2017
24 Non-current provisions		
Provision for employee benefits		
Gratuity (Refer note 50)	25.41	85.54
Compensated absences	32.31	42.31
Others		
Provision for tax (net of advance tax-₹28.32) (as at 31 March 2017 - ₹28.32)	17.18	17.18
Total	**74.90**	**145.03**

	As at 31 March 2018	As at 31 March 2017
25 Deferred tax liabilities/ assets (Refer note 41)		
Deferred tax liabilities		
- Depreciation	104.88	92.54
- Others	3.23	(3.66)
Total	**108.11**	**88.88**
Deferred tax assets		
- Depreciation	(158.05)	(237.79)
- Disallowances u/s 43B of the Income Tax Act, 1961	19.66	44.45
- Unabsorbed depreciation and carried forward of losses	161.53	198.17
- Others	132.27	160.61
- MAT credit entitlement	56.50	45.75
Total	**211.91**	**211.19**

	As at 31 March 2018	As at 31 March 2017
26 Other non-current liabilities		
Statutory remittances	17.90	33.33
Rent equalisation reserve	6.94	5.69
Total	**24.84**	**39.02**

	As at 31 March 2018	As at 31 March 2017
27 Current borrowings		
Secured loan repayable on demand		
From banks (Refer note (i) to (iii) below)	1,155.34	1,641.01
Unsecured loan repayable on demand		
From banks (Refer note (iv) to (v) below)	243.04	182.42
From other parties	125.69	118.44
From related party	-	5.13
Total	**1,524.07**	**1,947.00**

Notes:

(i) Loan repayable on demand from banks includes loans that are secured by a first pari-passu charge on current assets of the respective subsidiary companies and a second pari-passu charge on their fixed assets.

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

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

(iv) Loan repayable on demand from banks availed by the subsidiary Topkim Topkapi Ilaç Premiks Sanayi Ve Ticaret A.Ş., Turkey is guaranteed by erstwhile shareholders of the subsidiary in their personal capacities.

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

	As at 31 March 2018	As at 31 March 2017
28 Trade payables		
Trade payables	1,604.92	2,030.41
Total	**1,604.92**	**2,030.41**

(i) Trade payables are non-interest bearing and are normally settled on 90 to 120 days.

(ii) The Group exposure to currency and liquidity risk related to trade payable is disclosed in note 51.

	As at 31 March 2018	As at 31 March 2017
29 Other current financial liabilities		
Current maturities of long-term debt *	486.25	558.33
Interest accrued and due on borrowings	9.73	17.77
Payables on purchase of fixed assets	42.25	75.34
Unclaimed dividends	0.10	0.10
Judicial recovery	3.18	1.92
Current finance lease payables	0.29	-
Advance received against sale of investment	-	110.00
Derivative instruments (fair value)	0.14	-
Other current liabilities	195.34	269.29
Total	**737.28**	**1,032.75**

* The details of interest rates, repayment and other terms are disclosed under note 22. Details of current maturities of long-term debt are mentioned below:

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	As at 31 March 2018	As at 31 March 2017
Secured term loan from banks		
- RBL Bank Limited	35.05	145.09
- FİNANSAL KİRALAMA İŞLEMLERİNDEN BORÇLAR	6.32	-
- Halk Bank Isletme Kredisi	9.70	-
Secured loan from other parties		
- Housing Development Finance Corporation Limited	-	11.43
- Export and Import Bank of India	360.96	360.14
Unsecured loan from other parties		
- Abílio	74.22	41.67
Total	**486.25**	**558.33**

	As at 31 March 2018	As at 31 March 2017
30 Current provisions		
Provision for employee benefits		
Gratuity (Refer note 50)	17.48	5.66
Compensated absences	7.94	7.83
Total	**25.42**	**13.49**

	As at 31 March 2018	As at 31 March 2017
31 Current tax liabilities		
Income tax payable (net of advance tax - ₹ Nil) (as at 31 March 2017 - ₹ Nil)	89.72	51.94
Total	**89.72**	**51.94**

	As at 31 March 2018	As at 31 March 2017
32 Other current liabilities		
Statutory remittances	236.02	258.04
Advance from customers	31.78	64.62
Other current liabilities	60.10	54.97
Total	**327.90**	**377.63**

	Year ended 31 March 2018	Year ended 31 March 2017
33 Revenue from operations		
Sale of products (including excise duty*)	8,280.41	6,613.24
Sale of services	155.26	213.29
Other operating revenues		
Sale of scrap	5.35	6.49
Sale of import licences	-	1.90
Duty drawback and other export incentives	44.74	39.78
Guarantee commission	-	9.91
Others	8.72	5.45
	8,494.48	**6,890.06**

(*) Post implementation of Goods and Services Tax (GST) with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier period included excise duty which is now subsumed in GST. Revenue from operation for the year ended 31 March 2018 included excise duty up to 30 June 2017.

		Year ended 31 March 2018	Year ended 31 March 2017
34	**Other income**		
	Interest income (Refer note (i) below)	38.81	8.55
	Net gain on sale of current investments	1.61	0.74
	Other non-operating income (Refer note (ii) below)	27.88	22.62
	Dividend income *	19.00	16.60
	Fair value gain on financial instrument at fair value through profit or loss **	14.07	38.98
	Miscellaneous income	60.99	12.76
	Net gain on foreign currency transactions and translation	-	9.07
	Profit on sale of assets	3.45	1.45
	Total	**165.81**	**110.77**
(i)	**Interest income comprises:**		
	Interest on:		
	Bank deposits	9.79	3.46
	Interest on income tax refund	1.16	0.42
	Other interest	27.86	4.67
	Total	**38.81**	**8.55**
(ii)	**Other non-operating income comprises:**		
	Insurance claim received	-	0.21
	Liabilities / provisions no longer required written back	19.33	-
	Reimbursement of expenses	2.08	1.48
	Rental income	-	12.70
	Miscellaneous income	6.47	8.23
	Total	**27.88**	**22.62**

* Includes dividend from equity investments designated as at fair value through other comprehensive income (FVTOCI) ₹14.19 (as at 31 March 2017 ₹13.25).

** Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the at the end of each reporting period.

	Year ended 31 March 2018	Year ended 31 March 2017
35.a Cost of materials consumed		
Opening stock (net of inventories relating to discontinued operations)	333.20	227.18
Consolidation adjustment	(14.79)	(21.81)
Add: Purchases	3,647.44	2,538.10
Opening stock on acquisition	-	33.54
Less: Closing stock (net of inventories relating to discontinued operations)	549.49	333.20
Cost of materials consumed	**3,445.94**	**2,443.81**

	Year ended 31 March 2018	Year ended 31 March 2017
35.b Purchases of stock-in-trade		
Purchases of stock-in-trade	1,418.41	1,225.05
Total	**1,418.41**	**1,225.05**

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	Year ended 31 March 2018	Year ended 31 March 2017
35.c Changes in inventories of finished goods and work-in-progress & intermediates		
Opening stock (net of inventories relating to discontinued operations)		
Work-in-progress and intermediates	187.47	125.18
Finished goods / stock-in-trade	563.35	374.71
	750.82	**499.89**
Opening stock on acquisition of subsidiaries		
Finished goods / stock-in-trade	-	196.06
	-	**196.06**
Consolidation adjustment		
Work-in-progress and intermediates	3.60	(2.23)
Finished goods / stock-in-trade	31.60	(44.75)
	35.20	**(46.98)**
Closing stock (net of inventories relating to discontinued operations)		
Work-in-progress and intermediates	325.03	187.47
Finished goods / stock-in-trade	700.42	563.35
	1,025.45	**750.82**
Net (increase) / decrease	**(239.43)**	**(101.85)**

	Year ended 31 March 2018	Year ended 31 March 2017
36 Employee benefit expenses		
Salaries and wages	905.85	820.41
Contributions to provident fund and other funds	150.97	126.90
Share-based payment to employees	32.05	71.26
Staff welfare expenses	49.41	43.66
Total	**1,138.28**	**1,062.23**

	Year ended 31 March 2018	Year ended 31 March 2017
37 Finance costs		
Interest expense on borrowings	292.86	266.58
Other borrowing costs	37.83	16.82
Total	**330.69**	**283.40**

	Year ended 31 March 2018	Year ended 31 March 2017
38 Depreciation and amortisation expenses		
For continuing operations		
Depreciation on property, plant and equipment (Refer note 3)	259.25	271.41
Amortisation on intangible assets (Refer note 5)	158.41	144.84
Less: Depreciation capitalised for intangible assets under development	(4.23)	(15.52)
	413.43	**400.73**
For discontinued operations		
Depreciation on property, plant and equipment (Refer note 3)	90.82	175.80
Depreciation on asset held for sale	10.37	36.50
Amortisation on intangible assets (Refer note 5)	18.04	46.42
Amortisation on asset held for sale	0.30	1.20
	119.53	**259.92**

	Year ended 31 March 2018	Year ended 31 March 2017
39 Other expenses		
Power, water and fuel	146.57	127.70
Consumables	59.51	76.84
Conversion and processing charges	237.07	163.24
Contract labour charges	72.63	144.59
Freight and forwarding	190.82	143.23
Rent including lease rentals (Refer note 49)	73.51	62.98
Rates and taxes	69.02	34.41
Communication expenses	27.85	28.93
Repairs and maintenance		
Building	13.62	15.26
Machinery	60.69	66.24
Others	68.64	74.07
Insurance	28.93	20.79
Travelling and conveyance	133.05	140.38
Advertisement and selling expenses	83.94	69.89
Commission on sales	58.40	50.04
Legal and professional fees	239.95	196.64
Analytical charges	64.65	36.05
Bad trade receivables written off	15.54	(2.60)
Bad loans and advances written off	(0.07)	1.20
Provision for doubtful trade receivables	16.93	6.09
Loss on sale of assets (net)	-	1.56
Fixed assets written off	-	2.57
Net loss on foreign currency transactions and translation	41.20	148.85
Increase/(decrease) of excise duty on inventory	(3.29)	(0.04)
Research & development expenses	13.85	-
Printing and stationery	1.22	1.83
Marketing expenses	35.51	24.63
Other expenses	135.64	141.63
Total	**1,885.38**	**1,777.00**

	Year ended 31 March 2018	Year ended 31 March 2017
40 Exceptional items		
Write off of ineligible Goods and Services Tax credits	11.61	-
Goodwill impairment (Refer note 4)	79.00	-
Contingent consideration reversal (Refer note 53.2)	(93.13)	-
Pre-acquisition employee claims (Refer note 40 (1) below)	17.56	-
Total	**15.04**	**-**

1. Provision is made on account of legal claims filed by the employees against the subsidiary, Topkim-Topkapi Ilac Premiks San. ve Tic. A.S towards bonus and compensation pertaining to pre-acquisition period. The potential undiscounted amount of future payments that the Group could be required to make if there was an adverse decision relating to the said claims is estimated to be ₹ 17.56.

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	Year ended 31 March 2018	Year ended 31 March 2017
41 Income taxes		
i) Income tax expenses relating to continuing operations		
Current tax expenses for the current year	119.68	70.65
Current tax expenses for earlier years	-	(38.26)
Origination and reversal of temporary differences	(13.39)	(37.66)
MAT credit entitlement recognised	(0.39)	-
MAT credit entitlement written off	28.67	-
Total	**134.57**	**(5.27)**

	Year ended 31 March 2018	Year ended 31 March 2017
ii) Income tax expenses relating to discontinued operations		
Current tax expenses for the current year	36.27	1.14
MAT credit entitlement recognised	(36.27)	-
Total	**-**	**1.14**

	Year ended 31 March 2018	Year ended 31 March 2017
iii) Income tax expenses relating to continuing and discontinued operations		
Current tax expenses for the current year	155.95	71.79
Current tax expenses for earlier years	-	(38.26)
Origination and reversal of temporary differences	(13.39)	(37.66)
MAT credit entitlement recognised	(36.66)	-
MAT credit entitlement written off	28.67	-
Total	**134.57**	**(4.13)**

The current tax expense and deferred tax expense/credits are computed by applying the tax rates pertaining in the respective jurisdiction of the components.

Deferred tax assets and liabilities

(a) Movement in deferred tax balances

	31 March 2018						
	Net balance 01 April 2017	Recognised before acquisition/ under business combination	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(354.35)		91.42	-	(262.93)	(158.05)	(104.88)
Employee benefits	47.74	-	(28.08)	-	19.66	19.66	-
Other items	168.69		(39.65)	-	129.04	132.27	(3.23)
Tax assets / (liabilities)	**(137.92)**	**-**	**23.69**	**-**	**(114.23)**	**(6.12)**	**(108.11)**
Carried forward of losses & unabsorbed depreciation	198.17	-	(36.64)	-	161.53	161.53	-
Net tax assets / (liabilities)	**60.25**	**-**	**(12.95)**	**-**	**47.30**	**155.41**	**(108.11)**
MAT credit entitlement	48.51	-	7.99	-	56.50	56.50	-
Total	**108.76**	**-**	**(4.96)**	**-**	**103.80**	**211.91**	**(108.11)**

	31 March 2017						
	Net balance 01 April 2016	Recognised before acquisition/ under business combination	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(410.38)	(76.48)	132.51	-	(354.35)	(237.79)	(116.56)
Employee benefits	69.25	-	(21.51)	-	47.74	44.45	3.29
Other items	16.34	149.61	2.74	-	168.69	160.61	8.08
Tax assets / (liabilities)	**(324.79)**	**73.13**	**113.74**	**-**	**(137.92)**	**(32.73)**	**(105.19)**
Carried forward of losses & unabsorbed depreciation	274.25	-	(76.08)	-	198.17	198.17	-
Net tax assets / (liabilities)	**(50.54)**	**73.13**	**37.66**	**-**	**60.25**	**165.44**	**(105.19)**
MAT credit entitlement	48.51	-	-	-	48.51	45.75	2.76
Total	**(2.03)**	**73.13**	**37.66**	**-**	**108.76**	**211.19**	**(102.43)**
Disclosed under liabilities associated with assets held for sale	-	-	-	-	-	-	13.55
Total	**(2.03)**	**73.13**	**37.66**	**-**	**108.76**	**211.19**	**(88.88)**

(b) No deferred tax adjustments were required in respect of amounts recognised in other comprehensive income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation).

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42 Discontinued operations

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai, vide Order dated 09 March 2018 ('Order'), with effect from the Appointment Date i.e. 01 October 2017, the Human API business of the Company was transferred to Solara Active Pharma Sciences Limited ('Solara').

In line with the accounting prescribed in the Scheme, the net assets of the Human API business transferred amounting to ₹1,794.63 have been debited to the securities premium account. The excess of fair value of the Human API business over the net assets transferred amounting to ₹3,915.37 has been debited to retained earnings with a corresponding credit to the statement of profit and loss as 'Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations'. The Human API business for previous periods have been presented as discontinued operations in this results.

Pursuant to the above, SeQuent Penems Private Limited have ceased to be the subsidiary of the Company.

During the year ended 31 March 2018, the Company completed the divestment of woman healthcare business (discontinued operations).Gain on disposal of assets and settlement of liabilities attributable to discontinued operations amounting to ₹174.55 is recognised and disclosed under discontinued operations.

A. Analysis of profit for the year from the above discontinued operations

The combined results of the discontinued operations included in the profit for the year set out below. The comparative profit and cash flows form discontinued operations have been presented as if these operations were discontinued in the prior year as well.

		Year ended 31 March 2018	Year ended 31 March 2017
I	Revenue from operations	1,851.44	3,662.64
II	Other income	6.13	13.47
III	**Total income (I+II)**	**1,857.57**	**3,676.11**
IV	**Expenses**		
	Cost of materials consumed	826.26	1,930.54
	Purchases of stock-in-trade	68.52	34.99
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25.96	(122.18)
	Excise duty on sale of goods	23.88	100.00
	Employee benefit expenses	182.40	388.63
	Finance costs	66.34	139.95
	Depreciation and amortisation expenses	119.53	259.92
	Other expenses	439.21	968.35
	Total expenses (IV)	**1,752.10**	**3,700.20**
	Profit / (loss) from discontinued operations before tax (III-IV)	**105.47**	**(24.09)**
	Gain on disposal of assets/settlement of liabilities attributable to the discontinued operations	4,100.95	-
	Tax expense attributable to discontinued operations		
	(a) Current tax	36.27	1.14
	(b) MAT credit entitlement	(36.27)	-
	Profit / (loss) from discontinued operations after tax	**4,206.42**	**(25.23)**
	Profit / (loss) for the year from discontinued operations		
	-attributable to the owner of the Company	4,238.41	78.08
	-non-controlling interest	(31.99)	(103.31)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows of discontinued operations		
Net cash inflows / (outflows) from operating activities	100.07	(475.31)
Net cash inflows / (outflows) from investing activities	(120.25)	(664.83)
Net cash inflows / (outflows) from financing activities	34.79	1,139.72
Net cash outflows	**14.61**	**(0.42)**

B The major classes of assets and liabilities of the discontinued operations - Naari Pharma Private Limited (discontinued w.e.f. 01 July 2017) are as under:-

		As at 30 June 2017	As at 31 March 2017
I	**Assets**		
	Property, plant and equipment	479.72	489.24
	Capital work-in-progress	90.34	37.70
	Intangible assets	3.39	3.61
	Other financial assets	11.54	17.94
	Other assets	321.91	332.28
	Inventories	233.78	277.42
	Trade receivables	180.96	167.88
	Cash and cash equivalents	5.61	5.75
	Other bank balances	15.99	1.19
	Loans	0.26	0.30
	Assets classified as held for sale (I)	**1,343.50**	**1,333.31**
II	**Liabilities**		
	Borrowings	1,186.67	801.64
	Provisions	10.95	9.74
	Deferred tax liabilities	13.55	13.55
	Trade payables	210.72	224.47
	Other financial liabilities	129.85	130.52
	Other liabilities	3.22	2.35
	Liabilities directly associated with the group of assets classified as held for sale (II)	**1,554.96**	**1,182.27**
	Net assets/liabilities directly associated with disposal group (I-II)	**(211.46)**	**151.04**

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C The major classes of assets and liabilities of the discontinued operations - SeQuent Scientific Limited (discontinued portion) and SeQuent Penems Private Limited are as under:

		SeQuent Scientific Limited (discontinued portion)	SeQuent Penems Private Limited	Total
		As at 01 October 2017	As at 01 October 2017	As at 01 October 2017
I	**Assets**			
	Property, plant and equipment	1,525.43	167.35	1,692.78
	Capital work-in-progress	2.23	-	2.23
	Intangible assets	89.03	0.02	89.05
	Intangible assets under development	240.05	-	240.05
	Investments in subsidiaries	157.99	-	157.99
	Other financial assets	23.03	5.29	28.32
	Other assets	230.64	6.45	237.09
	Inventories	650.70	-	650.70
	Trade receivables	694.54	2.13	696.67
	Cash and cash equivalents	-	0.65	0.65
	Loans	-	0.34	0.34
	Total assets	**3,613.64**	**182.23**	**3,795.87**
II	**Liabilities**			
	Borrowings	751.40	133.71	885.11
	Provisions	66.92	-	66.92
	Trade payables	876.41	0.06	876.47
	Other financial liabilities	103.01	11.38	114.39
	Other liabilities	21.27	7.28	28.55
	Total liabilities	**1,819.01**	**152.43**	**1,971.44**
	Net assets/ liabilities directly associated with disposal group (I-II)	**1,794.63**	**29.80**	**1,824.43**

43 Segment reporting

With effect from 01 April 2017, the Chief Operating Decision Maker (CODM) reviews the operations as one segment "Pharmaceuticals". Accordingly the segment information for earlier periods have been restated in line with provisions of Ind AS 108 "Operating Segments".

A. Primary segment (Business segment)

The Group is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Group, the Group has only one business segment viz; pharmaceuticals as primary reportable segment.

B. Secondary segment (Geographical segment)

The Group operates in three principal geographic location.

(i) Europe
(ii) Asia
(iii) Rest of the world

		Year ended 31 March 2018	Year ended 31 March 2017
I	**Revenue from operations**		
	Continuing operations		
	Europe	4,014.60	2,017.11
	Asia	2,379.45	2,003.36
	Rest of the world	2,100.43	2,869.59
	Discontinued operations		
	Europe	91.36	61.26
	Asia	1,081.71	2,673.87
	Rest of the world	678.37	927.51
	Total	**10,345.92**	**10,552.70**
II	**Total assets**		
	Continuing operations		
	Europe	3,326.95	3,200.41
	Asia	6,360.45	8,992.28
	Rest of the world	1,090.15	932.38
	Total segment assets	**10,777.55**	**13,125.07**
	Unallocated	2,650.07	4,587.76
	Total	**13,427.62**	**17,712.83**
	Discontinued operations		
	Asia	-	1,333.31
	Total	**13,427.62**	**19,046.14**
III	**Cost incurred during the year to acquire segment assets**		
	Continuing operations		
	Europe	122.48	406.65
	Asia	106.58	975.87
	Rest of the world	2.16	243.43
	Discontinued operations		
	Asia	135.80	-
	Total	**367.02**	**1,625.95**

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	Year ended 31 March 2018			Year ended 31 March 2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
44 Earnings per share						
Basic earnings per share	(0.11)	17.51	17.40	(0.88)	0.31	(0.57)
Diluted earnings per share	(0.11)	17.40	17.29	(0.88)	0.31	(0.57)

	Year ended 31 March 2018			Year ended 31 March 2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit attributable to equity shareholders						
Profit for the year attributable to equity holders of the parent:	(27.77)	4,243.43	4,215.66	(211.54)	73.30	(138.24)
Profit attributable to equity shareholders for basic and diluted earnings	**(27.77)**	**4,243.43**	**4,215.66**	**(211.54)**	**73.30**	**(138.24)**

	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of equity shares		
Issued equity shares at beginning of the year	243,736,195	238,236,195
Effect of shares issued against warrants	-	2,863,014
Effect of treasury shares	(1,445,200)	(1,790,000)
Weighted average number of equity shares at end of the year for basic EPS	**242,290,995**	**239,309,209**
Share options	1,650,343	1,687,780
Weighted average number of equity shares at end of the year for diluted EPS	**243,941,338**	**240,996,989**

45 Related party transactions

45.1 List of related parties

a) Key management personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director
Mr. Sharat Narasapur, Joint Managing Director (From 08 January 2017)
Dr. Gautam Kumar Das, Joint Managing Director (Upto 07 January 2017)
Mr. P R Kannan, Chief Financial Officer (Upto 07 January 2017)
Mr. Tushar Mistry, Chief Financial Officer (From 11 February 2017)
Mr. Preetham Hebbar, Company Secretary (Upto 10 February 2017)
Mr. Krupesh Mehta, Company Secretary (From 11 February 2017)
Ms. Kumud Sampath, Chief Executive Officer and Director, SeQuent Research Limited (Upto 02 August, 2017)
Mr. K E C Rajakumar, Non-Executive Director
Dr. Huseyin Aydin, Non-Executive Director, Alivira Animal Health Limited, India
Dr. S Devendra, Non-Executive Director
Dr. Gopakumar G. Nair, Chairman and Independent Director
Mr. Prithi Pal Singh Kochhar, Director, Naari Pharma Private Limited (Till 30 June, 2017)
Dr Kausalya Santhanam, Independent Director
Mr. Narendra Mairpady, Independent Director

b) Enterprises owned or significantly influenced by individuals who have control/significant influence over the Company/ subsidiaries

Strides Shasun Limited
Atma Projects
Agnus Holdings Private Limited
Chayadeep Properties Private Limited
Pronomz Ventures LLP
Fitch Participacoes Ltda
Salus Com. De Prods. De Saude E Nutricao Animal Ltd
Jagsonpal Pharmaceuticals Limited (Till 30 June 2017)
Naari Pte Limited (Till 30 June 2017)
Naari Pharma Private Limited (From 27 July 2017)
Solara Active Pharma Sciences Limited (From 01 October 2017)
I K Enterprises Private Limited (Till 30 June 2017)
Aresko Restaurants Private Limited (Till 30 June 2017)

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

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

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45.2 Transactions for the year

Particulars	Key management personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company/ subsidiaries	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Sale of materials/services				
Strides Shasun Limited(excluding excise duty)			175.14	574.47
Jagsonpal Pharmaceuticals Limited			-	24.10
Naari Pte Limited			-	36.11
Solara Active Pharma Sciences Limited			70.88	-
Interest received				
Naari Pharma Private Limited			20.57	-
Interest paid				
Mr. Prithi Pal Singh Kochhar	-	0.96	-	-
I K Enterprises Private Limited			-	0.66
Aresko Restaurants Private Limited			-	0.86
Fitch Participacoes Ltda			9.78	6.12
Dr. Huseyin Aydin	4.98	3.32		
Purchase of materials				
Solara Active Pharma Sciences Limited			213.36	-
Managerial remuneration				
Dr. Gautam Kumar Das	-	13.06		
Mr. Manish Gupta	21.82	18.51		
Mr. Sharat Narsapur	6.84	2.82		
Mr. P R Kannan	-	7.44		
Mr. Tushar Mistry	6.27	0.78		
Mr. Preetham Hebbar	-	0.59		
Mr. Krupesh Mehta	1.29	0.16		
Ms.Kumud Sampath	2.42	7.40		
Directors sitting fees	1.99	3.06		
Reimbursement of expenses to				
Strides Shasun Limited			6.30	2.12
Mr. Prithipal Singh Kochhar	-	0.35	-	-
Reimbursement of expenses from				
Naari Pharma Private Limited			2.15	-
Rent paid				
Strides Shasun Limited			-	0.51
Agnus Holdings Private Limited			-	0.08
Chayadeep Properties Private Limited			-	0.90
Security deposit refund by				
Chayadeep Properties Private Limited			5.12	-
Security deposit given to				
Chayadeep Properties Private Limited			-	5.12
Loans/advances repaid by Group				
Fitch Participacoes Ltda			4.72	1.34
Loans/advances repaid to the Group				
Naari Pharma Private Limited			168.86	-
Loans/advances taken by the Group				
Dr. Huseyin Aydin	8.62	97.64		
Shares issued on conversion of warrants				
Pronomz Ventures LLP			-	522.50
Money received against share warrants				
Pronomz Ventures LLP			-	391.88

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45.3 Balance as at balance sheet date

Particulars	Key management personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company/ subsidiaries	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Trade receivables / other current assets				
Strides Shasun Limited			6.72	112.65
Naari Pharma Private Limited			8.84	-
Solara Active Pharma Sciences Limited			2.21	-
Advance receivable				
Naari Pharma Private Limited			110.57	-
Security deposit receivables				
Strides Shasun Limited			-	4.54
Chayadeep Properties Private Limited			-	5.12
Trade payables				
Chayadeep Properties Private Limited			-	5.45
Mr. Prithipal Singh Kochhar	-	0.86		
I K Enterprises Private Limited			-	6.89
Aresko Restaurants Private Limited			-	0.78
Atma Projects			0.20	0.20
Agnus Holdings Private Limited			0.01	0.01
Strides Shasun Limited			6.80	7.55
Salus Com. De Prods. De Saude E Nutricao Animal Ltd			-	2.64
Loan payable				
Fitch Participacoes Ltda			76.80	73.72
Dr. Huseyin Aydin	125.48	118.44		

	As at 31 March 2018	As at 31 March 2017
46 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
a. Claims against the Company not acknowledged as debts *		
- Sales tax / value added tax	-	0.07
- Income tax	0.27	1.51
- Service tax	-	7.48
- Excise duty	-	0.29

* 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.

	As at 31 March 2018	As at 31 March 2017
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible and intangible fixed assets	3.22	58.20

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47 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

	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the Group	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated loss**	**Amount**
Parent								
SeQuent Scientific Limited	138.57%	9,486.17	94.35%	4,064.07	102.62%	(1,423.27)	90.38%	2,640.80
Subsidiaries								
Indian								
Alivira Animal Health Limited	38.20%	2,614.31	(3.70%)	(159.50)	(0.69%)	9.51	(5.13%)	(149.99)
SeQuent Research Limited	1.01%	68.87	0.11%	4.84	(0.12%)	1.64	0.22%	6.48
Elysian Life Sciences Private Limited	(1.64%)	(112.00)	0.00%	(0.19)	0.00%	-	(0.01%)	(0.19)
SeQuent Antibiotics Private Limited	(0.01%)	(0.55)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
SeQuent Pharmaceuticals Private Limited	0.00%	(0.15)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
SeQuent Penems Private Limited	0.00%	-	0.00%	0.05	0.00%	-	0.00%	0.05
Naari Pharma Private Limited	0.00%	-	(1.75%)	(75.56)	0.05%	(0.73)	(2.61%)	(76.29)
Foreign								
Provet Veterinerlik Urunleri Tic. Ltd.Sti	5.94%	406.52	0.22%	9.62	(0.12%)	1.60	0.38%	11.22
Alivira Animal Health Limited, Ireland	5.43%	371.69	(1.90%)	(81.98)	0.00%	-	(2.81%)	(81.98)
Alivira France	0.88%	60.03	0.00%	-	0.00%	-	0.00%	-
Alivira UA Limited	0.00%	0.13	(0.01%)	(0.36)	0.00%	-	(0.01%)	(0.36)
Fendigo SA	1.23%	83.97	0.57%	24.72	0.00%	-	0.85%	24.72
Fendigo BV	0.26%	17.66	0.14%	6.00	0.00%	-	0.21%	6.00
N-Vet AB	2.14%	146.48	0.83%	35.88	0.00%	-	1.23%	35.88
Topkim İlaç Premiks San. ve Tic. A.Ş	4.34%	297.31	3.95%	170.28	0.00%	(0.04)	5.83%	170.24
Interchange Veterinária Indústria E Comércio Ltda.	(2.69%)	(184.08)	0.05%	2.22	0.00%	-	0.08%	2.22
Alivira Saude Brasil Participacoes Ltda	(0.40%)	(27.40)	(0.70%)	(30.11)	0.00%	-	(1.03%)	(30.11)
Laboratorios Karizoo, S.A.	6.29%	430.91	3.35%	144.52	0.00%	-	4.95%	144.52
Laboratorios Karizoo, S.A. DE C.V. (Mexico)	0.45%	31.00	0.18%	7.88	0.00%	-	0.27%	7.88
Comercial Vila Veterinaria De Lleida S.L.	0.66%	45.04	0.19%	8.40	0.00%	-	0.29%	8.40
Phytotherapic Solutions S.L	1.20%	82.22	0.62%	26.72	0.00%	-	0.91%	26.72
Vila Viña Participacions S.L.	3.81%	260.91	1.35%	58.08	0.00%	-	1.99%	58.08
Total		**14,079.04**		**4,215.54**		**(1,411.29)**		**2,804.25**
Adjustments arising out of consolidation	(111.07%)	(7,603.27)	0.00%	0.12	(1.14%)	15.81	0.55%	15.93
Non-controlling interest in all subsidiaries	5.40%	369.85	2.15%	92.64	(0.60%)	8.30	3.46%	100.94
Total		**6,845.62**		**4,308.30**		**(1,387.18)**		**2,921.12**

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48 Subsidiaries

Details of the Company's subsidiaries at the end of each reporting year are as follows:

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		As at 31 March 2018	As at 31 March 2017
Wholly owned subsidiaries			
Alivira Animal Health Limited, India	India	100%	100%
SeQuent Research Limited	India	100%	100%
SeQuent Antibiotics Private Limited	India	100%	100%
SeQuent Pharmaceuticals Private Limited	India	99.99%	99.99%
Elysian Life Sciences Private Limited	India	100%	100%
SeQuent Scientific Pte Limited (Refer note 7 below)	Singapore	-	100%
SeQuent Global Holdings Limited (Refer note 4 below)	Mauritius	-	100%
Other subsidiaries			
SeQuent Penems Private Limited (Refer note 8 below)	India	-	89.23%
Naari Pharma Private Limited (Refer note 9 below)	India	-	51.02%
Step down subsidiaries:			
Alivira Animal Health Limited, Ireland	Ireland	100%	100%
Alivira Animal Health Australia Pty Limited	Australia	100%	100%
Provet Veteriner Ürünleri San. ve Tic. A.S.	Turkey	60%	60%
Topkim Ilaç Premiks San. ve Tic. A.S	Turkey	60%	60%
Fendigo SA	Belgium	85%	85%
Fendigo BV	Netherland	85%	85%
N-Vet AB	Sweden	85%	85%
Alivira Saude brasil participacoes Ltda (Refer note 2 below)	Brazil	100%	100%
Interchange Veterinária Indústria E Comércio Ltda. (Refer note 3 below)	Brazil	70%	70%
Laboratorios Karizoo, S.A. (Refer note 1 below)	Spain	60%	60%
Laboratorios Karizoo, S.A. DE C.V. (Mexico)(Refer note 1 below)	Mexico	60%	60%
Comercial Vila Veterinaria De Lleida S.L. (Refer note 1 below)	Spain	60%	60%
Phytotherapic Solutions S.L (Refer note 1 below)	Spain	60%	60%
Vila Viña Participacions S.L. (Refer note 1 below)	Spain	60%	60%
Alivira UA Limited (Refer note 5 below)	Ireland	70%	70%
Alivira France (Refer note 6 below)	France	75%	-

Note:

1 During the year 2016-17, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired 60% stake in Vila Viña Participacions S.L., Spain along with its four subsidiaries - Laboratorios Karizoo, S.A.,Spain, Comercial Vila Veterinaria De Lleida S.L.,Spain, Phytotherapic Solutions S.L,Spain and Laboratorios Karizoo, S.A. De C.V.,Mexico

2 During the year 2016-17, Alivira Saude Animal Brasil Participacoes LTDA was incorporated on 10 June 2016.

3 During the year 2016-17, Alivira Saude Animal Brasil Participacoes LTDA acquired 70% stake in Interchange Veterinária Indústria E Comércio Ltda.

4 During the year, SeQuent Global Holdings Limited ('SGHL'), was wound up vide order dated 06 April 2017.

5 Alivira UA Limited, Ireland was incorporated on 30 September 2016.

6 Alivira France was incorporated on 02 February 2018.

7 During the year, SeQuent Scientific Pte Limited was wound up on 08 January 2018.

8 Pursuant to the scheme of demerger, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company (Refer note 42).

9 During the year, the Company completed the divestment of woman healthcare business, Naari Pharma Private Limited, an entity which was into woman healthcare business.

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49 Operating leases

i) Leases as lessee

a) The Group's significant leasing arrangement is mainly in respect of factory building, land and office premises.

The Group has entered into non-cancellable lease arrangement for its facilities and office premises. The said lease arrangements have an escalation clause where in lease rental is subject to an increment ranging from 6% to 10%. Details of lease commitments are given below:

ii) Payments recognised as an expense (Continuing operations)

	31 March 2018	31 March 2017
Lease payments	73.51	62.98
	73.51	**62.98**

iii) Non-cancellable operating lease commitments:

	31 March 2018	31 March 2017
Not later than 1 year	4.55	4.55
Later than 1 year and not later than 5 years	18.19	18.19
More than five years	109.13	113.68
	131.87	**136.42**

50 Employee benefit plans

(i) Defined contribution plans:

The Group makes Provident Fund and Employee State Insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹21.01 (31 March 2017 - ₹22.12 (net)) for Provident Fund contributions and ₹1.88 (31 March 2017 - ₹1.52) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

In respect of the foreign subsidiaries, the subsidiary makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the subsidiaries are required to contribute a specified percentage payroll costs to fund the benefits. The Group recognised ₹183.73 (31 March 2017 - ₹89.78) for social security scheme contributions.

(ii) Defined benefit plans:

The Group has a defined Gratuity benefit plan for employees in India. The foreign subsidiaries have termination benefits for its employees in Turkey. The following table summarises the components of net employee benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense recognised in the statement of profit and loss:				
Current service cost	11.72	4.08	12.85	3.60
Net interest cost	4.02	1.31	5.28	1.57
Expected return on plan assets	(0.30)	-	(0.56)	-
Component of defined benefit costs recognised in the statement of profit and loss	**15.44**	**5.39**	**17.57**	**5.17**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest cost)	0.43	-	0.09	-
Actuarial (gains) / losses arising from changes in financial assumptions	(10.55)	(0.94)	3.06	-
Actuarial (gains) / losses arising from changes in experience adjustments	2.69	(0.72)	(4.53)	5.91
Component of defined benefit costs recognised in the other comprehensive income	**(7.43)**	**(1.66)**	**(1.38)**	**5.91**
Total	**8.01**	**3.73**	**16.19**	**11.08**

The current service cost is included in the 'Employee benefits expense' and the net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet:

	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	30.60	14.08	80.79	14.65
Fair value of plan assets	1.79	-	4.24	-
Funded status [surplus / (deficit)]	(28.81)	(14.08)	(76.55)	(14.65)
Net defined benefit obligation	**(28.81)**	**(14.08)**	**(76.55)**	**(14.65)**

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

	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening balance	80.79	14.65	72.84	18.82
Current service cost	11.72	4.08	12.85	3.60
Interest cost	4.02	1.31	5.28	1.57
Liability transferred out / divestment	(62.85)	-	-	-
Liability transferred in / acquisitions	14.92	-	-	
Benefits paid	(10.14)	(2.86)	(8.71)	(9.12)
Remeasurement loss/(gain) arising from:				

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	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Acturial losses/ (gains) arising from				
Actuarial (gains) / losses arising from changes in financial assumptions	(10.55)	(0.94)	3.06	-
Actuarial (gains) / losses arising from changes in experience adjustments	2.69	(0.72)	(4.53)	5.91
Exchange gain or loss	-	(1.44)	-	(6.13)
Closing defined benefit obligation	**30.60**	**14.08**	**80.79**	**14.65**

B. Movements in the fair value of plan assets are as follows:

	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	4.24	-	7.41	-
Expected return on plan assets	0.30	-	0.56	-
Purchase of undertaking	-	-	-	
Actual Group contributions	9.48	-	3.56	-
Liability transferred out / divestment	(1.65)		-	
Benefits paid	(10.15)	-	(7.20)	-
Remeasurement loss/(gain):	**-**		**-**	
Return on plan Assets (excluding amounts included in net interest cost)	(0.43)	-	(0.09)	-
Closing fair value of plan assets	**1.79**	**-**	**4.24**	**-**

Actual return on plan assets is ₹ 0.13 (31 March 2017 ₹ 0.47).

Actuarial assumptions

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

	31 March 2018		31 March 2017	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumptions:				
Discount rate	7.05% 7.70%	12.27%	7.05% 7.70%	10.75%
Salary escalation rate	8.00%	10.00%	12.00%	6.50%
Demographic assumption:				
Withdrawal rate	8.00% to 12.00%	NA	8.00% to 12.00%	NA
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

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

Sensitivity analysis for significant actuarial assumptions for the determination of the defined benefit obligations is as follows:

	Impact on the defined benefit obligations			
	Gratuity		Termination benefits	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2018				
Discounting rate	(1.72)	1.89	13.46	14.78
Salary escalation rate	1.89	(1.73)	14.13	14.04
Employee turnover	(0.04)	0.04	-	-
31 March 2017				
Discounting rate	74.08	87.79	13.66	15.44
Salary escalation rate	85.23	75.82	14.68	14.61

51 Financial instruments

The carrying value and fair value of financial instruments by categories are as follow:

	Carrying value and fair value	
Financial assets	**31 March 2018**	**31 March 2017**
Measured at amortised cost		
Loans	116.77	27.92
Trade receivables	2,583.49	2,546.19
Cash and cash equivalents	395.44	435.21
Other bank balances	29.04	38.83
Other financial assets	68.69	134.30
Investment in government securities	0.08	0.08
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	2,222.01	3,641.74
Investment in equity instruments (Unquoted)	0.05	0.05
Measured at fair value through profit & loss (FVTPL)		
Investments in mutual fund	168.64	639.03
Derivative assets	-	11.15
Total	**5,584.21**	**7,474.50**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	3,048.95	4,158.64
Trade payables	1,604.92	2,030.41
Other financial liabilities	323.63	493.78
Measured at fair value through profit & loss (FVTPL)		
Derivative liabilities	0.14	-
Measured at fair value through other comprehensive income (FVTOCI)		
Put option liability	953.47	524.96
Total	**5,931.11**	**7,207.79**

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51.1 Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2018 and 31 March 2017:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value:					
Derivative financial liabilities (Refer note 29):					
Foreign currency forward contracts	31 March 2018	0.14	-	0.14	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (Refer notes 6,11 and 23):					
Investment in equity instruments	31 March 2018	2,222.01	2,222.01	-	-
Put option liability	31 March 2018	953.47	953.47	-	-
FVTPL financial assets designated at fair value (Refer note 11):					
Investment in mutual funds	31 March 2018	168.64	-	168.64	-

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

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
Derivative financial assets (Refer note 16):					
Foreign currency forward contracts	31 March 2017	11.15	-	11.15	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (Refer notes 6,11 and 23):					
Investment in equity instruments	31 March 2017	3,641.74	3,641.74	-	-
Put option liability	31 March 2017	524.96	524.96	-	-
FVTPL financial assets designated at fair value (Refer note 11):					-
Investment in mutual funds	31 March 2017	639.03	-	639.03	-

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

Note:

(i) Refer note 2(xviii) under significant accounting policies for recognition and measurement financial assets.

(ii) The fair value of the investments in equity is based on the quoted price. The fair value of investments in mutual fund is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

51.2 Financial risk management objective and policies

The Group principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

The Group has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange/ Regulations. The audit committee comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

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

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

The Group trade and other receivables are actively monitored to review creditworthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

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

	31 March 2018	31 March 2017
Outstanding for more than 6 months	164.07	270.04
Others	2,419.42	2,276.15
Total	**2,583.49**	**2,546.19**

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

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non- performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Revenue from single external customer is approximately ₹513.19 (31 March 2017 ₹1210.77) representing 6% (31 March 2017 14%) of Group's total revenue for the year ended 31 March 2018. Apart from the aforesaid single customer, the Group does not have a significant credit risk exposure to any other single counterparty.

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

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

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018 and 31 March 2017:

Particulars	As at 31 March 2018			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	2013.50	399.53	635.92	3,048.95
Trade payables	1604.92	-	-	1,604.92
Other financial liabilities	323.63	-	-	323.63

Particulars	As at 31 March 2017			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	2,684.81	518.04	955.79	4,158.64

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Particulars	As at 31 March 2017			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	2,030.41	-	-	2,030.41
Other financial liabilities	493.78	-	-	493.78

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

The Group is exposed to interest rate risk arises mainly from debt. The Group is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Group is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Group functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures.

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

Foreign currency	31 March 2018		31 March 2017	
	Receivables/ (payables)	Receivables/ (payables) in foreign currency	Receivables/ (payables)	Receivables/ (payables) in foreign currency
EURO	55.80	0.69	84.12	1.21
USD	559.26	8.60	682.16	10.54
SGD	0.00	0.00	(0.48)	(0.01)
EURO	44.56	0.55	(16.08)	(0.23)
USD	404.59	6.22	(1,005.40)	(15.51)
GBP	-	-	0.02	0.00
CHF	3.11	0.05	(0.75)	(0.01)
THAI BAHT	0.14	0.08	(0.14)	(0.08)

b) Derivative financial instruments
Derivative transactions are undertaken to act as economic hedges for the Group exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(i) Outstanding forward exchange contracts entered into by the Group as at 31 March 2018 and 31 March 2017:

Currency	Amount in US $		Buy / Sell	Cross currency
	31 March 2018	31 March 2017		
USD	-	0.93	Buy	Rupees
USD	0.20	3.60	Sell	Rupees

c) Foreign currency sensitivity analysis
The Group is mainly exposed to currency fluctuation of USD and Euro.

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

	Impact on profit or loss and total equity	
	31 March 2018	31 March 2017
Currency of U.S.A (USD)	(96.39)	32.32
Currency of Europe (Euro)	(10.04)	(6.80)
Others	(0.33)	0.14

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

d) Interest rate risk exposure
The Group policy is to minimise interest rate cash flows risk exposures on long-term borrowings. The group has taken several borrowings on fixed rate of interest. Since there is no interest rate cash outflow associated with such fixed rate loans, an interest rate sensitivity has not been performed.

At the reporting date the interest rate profile of the group interest-bearing financial instruments is as follows:

	31 March 2018	31 March 2017
Fixed-rate instruments		
Financial assets		
-Margin money deposit	43.12	51.60
	43.12	**51.60**
Financial liabilities		
-Borrowings from bank	83.47	102.89
-Borrowings from others	16.88	45.49
-Borrowings from related parties	-	5.13
	100.35	**153.51**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	1,467.59	2,174.46
-Borrowings from others	1,481.01	1,830.67
Total	**2,948.60**	**4,005.13**

Fair value sensitivity analysis for fixed-rate instruments
The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	Profit or loss	
	100 bps (increase)	100 bps decrease
31 March 2018		
Variable-rate instruments	(29.49)	29.49
	(29.49)	**29.49**
31 March 2017		
Variable-rate instruments	(40.05)	40.05
	(40.05)	**40.05**

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51.6 Capital management

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

The capital structure of the Group consists of net debt (borrowings as detailed in note 22, 27 and 29 offset by cash and bank balances) and total equity of the Group.

The Group's Gearing ratio at end of each reporting year is as follows:

Particulars	31 March 2018	31 March 2017
Debt (i)	3,048.95	4,158.64
Cash and bank balances (ii)	395.44	435.21
Other bank balances (iii)	29.04	38.83
Other non current financial assets (margin money) (iv)	14.18	12.87
Net debt {(i)-[(ii) + (iii) + (iv)]}	**2,610.29**	**3,633.00**
Total equity	**6,845.62**	**9,940.09**
Gearing ratio	**38.13%**	**36.94%**

(i) Debt is defined as long-term (including current maturity but excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

52 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), in the year 2008, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors.

Employees stock option plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
30 May 2013	2,700,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' Scheme.	5 years
12 February 2014	500,000		
28 May 2014	900,000		
12 November 2014	1,000,000		
11 January 2016	500,000		
14 May 2016	345,000		
23 May 2017	50,000		

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹74.17 (31 March 2017 - ₹103.26). Options were priced using a Black-scholes model. The fair value of the employee share options has been measured using the Black-scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

	31 March 2018	31 March 2017
Inputs into the model		
Grant date	23 May 2017	14 May 2016
Grant date share price	118.30	148.90
Exercise price	87.00	87.00
Expected volatility	54.61%	55.11%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	6.99%	7.64%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	31 March 2018		31 March 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees stock option plan:				
Option outstanding at the beginning of the year	2,925,000	29.87	3,545,000	24.08
Granted during the year	50,000	87.00	345,000	87.00
Exercised during the year	344,800	20.69	530,000	33.03
Forfeited during the year	189,200	72.93	435,000	25.75
Options outstanding at the end of the year	2,441,000	29.00	2,925,000	29.87

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D. Share options exercised during the year

The following share options were exercised during the year:

Option series	Number exercised	Exercise date	Share price at exercise date
1. Granted on 30 May 2013	270,000	30 May 2017	107.68
2. Granted on 28 May 2014	50,000	30 May 2017	107.68
3. Granted on 14 May 2016	2,500	15 May 2017	125.50
4. Granted on 14 May 2016	16,500	30 May 2017	107.68
5. Granted on 14 May 2016	4,300	23 May 2017	122.03
6. Granted on 14 May 2016	1,500	24 May 2017	116.45

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹29.00 (as at 31 March 2017 – ₹29.87) and weighted average remaining contractual life of 1.68 years (as at 31 March 2017 - 2.57 years).

53 Business combinations

Acquisition of Interchange Veterinária Indústria E Comércio Ltda.

On 01 August 2016, the Group acquired 70% of the interest in Interchange Veterinária Indústria E Comércio Ltda., (Interchange) through Alivira Saude Brasil Participacoes, Brazil, a wholly owned subsidiary of Alivira Animal Health Limited, Ireland, a wholly owned subsidiary of Alivira Animal Health Limited, India.

The acquisition was executed through an share purchase agreement to acquire 70% of the ownership interest in Interchange. 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 transaction allows us access to a strong, professional management team, which will help us expand our footprint in LATAM markets.

The fair value of purchase consideration is ₹ 235.71.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹0.78. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on an management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	(305.61)	-	(305.61)
Deferred tax assets (net)	137.37	-	137.37
Intangible assets - brand	-	130.88	130.88
Intangible assets - customer relationship	-	102.25	102.25
Deferred tax liabilities on intangible assets	-	(64.11)	(64.11)
Total			**0.78**
Non-controlling interest	-	-	0.23
Goodwill	-	-	235.16
Total purchase price			**235.71**

Total consideration	
Cash	210.15
Deferred consideration	25.56
Total	**235.71**

Under the subscription agreement, the Group is required to pay certain consideration in financial year 2016-17, 2017-18 and 2018-19 ₹25.56 represents the estimated fair value of the deferred consideration at the acquisition date.

The intangible assets are amortised over a period of five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised.

The goodwill amounting to ₹235.16 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Acquisition of Vila Vina. Participacions, S.L.

On 01 July 2016, the Group acquired 60% of the interest in Vila Vina. Participacions, S.L. (Karizoo Group, Spain), through Alivira Animal Health Limited, Ireland, a wholly owned subsidiary of Alivira Animal Health Limited, India.

The acquisition was executed through an share purchase agreement to acquire 60% 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 Group, Spain brings into a EU approved manufacturing base and strong R&D capabilities, which we intend to leverage for our global operations.

The fair value of purchase consideration is ₹942.23.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹541.39. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on Management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	384.11	-	384.11
Intangible assets - Brand	-	209.71	209.71
Deferred tax liabilities on intangible assets	-	(52.43)	(52.43)
Total			**541.39**
Non-controlling interest	-	-	216.56
Goodwill	-	-	617.40
Total purchase price			**942.23**

Total consideration	
Cash	562.10
Contingent consideration	380.13
	942.23

Under the share purchase agreement, the Group is required to pay the seller an additional consideration in the year 2016-17 and 2017-18 based on the incremental enterprises value arrived considering the EBITA of calendar year 2017 and calendar year 2018. ₹380.13 represent the estimated fair value of fair obligation at the acquisition date.

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Of the above, during the year ended 31 March 2018, ₹93.13 has been reversed under exceptional items as these were found to be not payable (Refer note 40).

The intangible assets are amortised over a period of five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised.

The goodwill amounting to ₹617.40 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce etc.

Impact on acquisition on the results of the Group :
Results from continuing operations for the year ended 31 March 2017 includes the following revenue and profit generated from the new acquisitions:

Entity	Revenue	Profit for the year
Vila Vina. Participacions, S.L	1,750.30	137.81
Interchange Veterinária Indústria E Comércio Ltda	295.10	(26.01)

Had these business combinations been effected at 01 April 2016, the proforma revenue and profit for the year from the respective business acquired would have been as below.

Entity	Revenue	Profit for the year
Vila Vina. Participacions, S.L	2,333.74	183.75
Interchange Veterinária Indústria E Comércio Ltda	442.65	(39.02)

Note: The Proforma numbers to represent an approximate measure of the performance of the subsidiary on an annualised basis.

Interest of major non controlling interest in group activities:

Summarised balance sheet	Vila Vina. Participacions, S.L.	
	31 March 2018	**31 March 2017**
Current assets	1,378.14	1,015.70
Current liabilities	1,021.18	704.83
Net current assets	**356.96**	**310.86**
Non-current assets	668.86	445.49
Non-current liabilities	175.74	138.81
Net Non-current assets	**493.12**	**306.68**
Net assets	**850.08**	**617.55**
Accumulated non-controlling interest	**329.45**	**213.74**

Summarised profit and loss	Vila Vina. Participacions, S.L.	
	31 March 2018	**31 March 2017**
Revenue	3,076.79	1,750.30
Profit for the year	185.56	137.81
Total comprehensive income	**3,262.35**	**1,888.11**
Profit allocated to non-controlling interest	74.22	55.13
Dividends paid to non-controlling interest	24.01	-

54 The financial statement were approved for issue by the board of director on 24 May 2018.

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 24 May 2018

Independent Auditor's Report

To the Members of
Sequent Scientific Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SEQUENT SCIENTIFIC LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

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

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

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

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

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 24 May 2018
SPK/JKS/2018

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 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 31 March, 2018, 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)

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 24 May 2018
SPK/JKS/2018

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 lease agreement, we report that in respect of building constructed on leased land, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

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

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

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

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2018 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 (Rs. in million)
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2006-07	0.27

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

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ 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 Order is not applicable.

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

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

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

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

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 24 May 2018
SPK/JKS/2018

Balance Sheet
as at 31 March 2018

All amounts are in ₹ million unless otherwise stated

			Notes	As at 31 March 2018	As at 31 March 2017
A	**ASSETS**				
1.	**Non-current assets**				
	(a)	Property, plant and equipment	3	189.07	1,740.16
	(b)	Capital work-in-progress	3	15.31	11.27
	(c)	Investment property	4	-	61.85
	(d)	Other intangible assets	5	47.76	76.51
	(e)	Intangible assets under development	5	15.90	311.35
	(f)	Financial assets			
		(i) Investments			
		(a) Investments in subsidiaries	6	4,510.04	4,645.40
		(b) Other investments	6	2,216.69	3,638.91
		(ii) Loans	7	1,141.79	-
		(iii) Other financial assets	8	6.06	20.26
	(g)	Deferred tax assets (net)	9	53.74	45.75
	(h)	Income tax assets (net)	10	13.46	55.62
	(i)	Other non-current assets	11	159.48	211.68
	Total non-current assets			**8,369.30**	**10,818.76**
2.	**Current assets**				
	(a)	Inventories	12	138.33	625.34
	(b)	Financial assets			
		(i) Investments	13	139.82	622.78
		(ii) Trade receivables	14	784.66	1,130.30
		(iii) Cash and cash equivalents	15	9.96	11.86
		(iv) Bank balances other than (iii) above	16	20.49	18.71
		(v) Loans	17	112.23	828.90
		(vi) Other financial assets	18	5.48	51.79
	(c)	Other current assets	19	194.47	325.31
				1,405.44	**3,614.99**
	Asset classified as held for sale		20	-	69.61
	Total current assets			**1,405.44**	**3,684.60**
	Total assets			**9,774.74**	**14,503.36**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a)	Equity share capital	21	487.47	487.47
	(b)	Other equity	22	8,998.70	12,085.83
	Total equity			**9,486.17**	**12,573.30**
II	**Liabilities**				
1.	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	23	-	139.76
	(b)	Provisions	24	21.67	103.23
	Total non-current liabilities			**21.67**	**242.99**
2.	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	25	-	632.24
		(ii) Trade payables	26	245.64	699.57
		(iii) Other financial liabilities	27	12.82	313.07
	(b)	Other current liabilities	28	6.32	39.81
	(c)	Provisions	29	2.12	2.38
	Total current liabilities			**266.90**	**1,687.07**
	Total liabilities			**288.57**	**1,930.06**
	Total equity and liabilities			**9,774.74**	**14,503.36**
	See accompanying notes to the financial statements				

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

Sathya P. Koushik
Partner

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 24 May 2018

Statement of Profit and Loss

for the year ended 31 March 2018

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

		Notes	Year ended 31 March 2018	Year ended 31 March 2017
I	Revenue from operations	30	1,072.36	945.33
II	Other income	31	242.69	190.67
III	**Total income (I+II)**		**1,315.05**	**1,136.00**
IV	**Expenses**			
	(a) Cost of materials consumed	32.a	306.57	448.50
	(b) Purchases of stock-in-trade	32.b	491.43	281.19
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32.c	(4.22)	(4.44)
	(d) Excise duty on sale of goods		12.29	38.18
	(e) Employee benefit expenses	33	118.50	179.02
	(f) Finance costs	34	3.92	4.23
	(g) Depreciation and amortisation expenses	35	36.67	32.52
	(h) Other expenses	36	331.65	308.46
	Total expenses (IV)		**1,296.81**	**1,287.66**
V	**Profit/(loss) from continuing operations before tax and exceptional items (III-IV)**		**18.24**	**(151.66)**
VI	Exceptional items	37	11.61	-
VII	**Profit/(loss) from continuing operations before tax (V-VI)**		**6.63**	**(151.66)**
VIII	**Tax expense**	40		
	(a) Current tax		0.39	-
	(b) MAT credit entitlement		(0.39)	-
	(c) MAT credit entitlement written off		**28.67**	**-**
	Total tax expenses/ (credits)		28.67	-
IX	**Profit/(loss) from continuing operations after tax (VII-VIII)**		**(22.04)**	**(151.66)**
X	**Profit from discontinued operations**	38	170.74	151.54
	Gain on demerger of Human API operations		3,915.37	
	Profit from discontinued operations before tax		**4,086.11**	**151.54**
	Tax expense of discontinued operations			
	(a) Current tax		36.27	-
	(b) MAT credit entitlement		(36.27)	-
	Profit from discontinued operations after tax (X)		**4,086.11**	**151.54**
XI	**Profit / (loss) for the year (IX+X)**		**4,064.07**	**(0.12)**
XII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	22		
	(a) Re-measurements gain/(loss) on defined benefit plans		(3.73)	0.70
	(b) Fair value gain / (loss) from investment in equity instruments		(1,419.54)	33.91
	Total other comprehensive income for the year (XII)		**(1,423.27)**	**34.61**
XIII	**Total comprehensive income for the year (XI+XII)**		**2,640.80**	**34.49**
	Earnings per equity share (for continuing operations)	39		
	(1) Basic (in ₹)		(0.09)	(0.63)
	(2) Diluted (in ₹)		(0.09)	(0.63)
	Earnings per equity share (for discontinued operations)	39		
	(1) Basic (in ₹)		16.86	0.63
	(2) Diluted (in ₹)		16.75	0.63
	Earnings per equity share (for continuing and discontinued operations)	39		
	(1) Basic (in ₹)		16.77	(0.00)
	(2) Diluted (in ₹)		16.66	(0.00)
	See accompanying notes to the financial statements			

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Statement of Cash Flows

for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
Cash flows from operating activities			
Net Profit / (loss) before tax (from continuing and discontinued operations)		4,092.74	(0.12)
Adjustments for:			
Depreciation and amortisation		143.74	251.68
Bad trade receivables written off		11.51	4.09
Provision for doubtful trade receivables		2.90	1.10
Unrealised forex loss/(gain) (net)		(1.43)	9.60
Finance costs		45.43	83.60
Dividend income		(18.98)	(16.59)
Interest income		(140.66)	(104.02)
Profit on sale of property plant and equipment (net)		(1.61)	-
Profit on sale of investment in subsidiary		(38.29)	-
Share-based payments to employees		15.06	44.75
Liabilities /provisions no longer required written back		(17.64)	(16.36)
Rental income		(3.21)	(10.68)
Corporate guarantee commission		(6.46)	(5.16)
Write-off of ineligible GST credits		11.61	-
Fair value gain on financial instruments measured at fair value through profit or loss		(14.00)	(38.97)
Gain on demerger of Human API business		(3,915.37)	-
Operating profit before working capital changes		**165.34**	**202.92**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		(391.61)	(492.24)
(Increase)/decrease in inventories		(163.69)	(63.44)
(Increase)/decrease in margin money and unpaid dividend accounts		(1.78)	18.25
Increase/(decrease) in trade payables, other payables and provisions		342.85	107.71
Net change in working capital		**(214.23)**	**(429.72)**
Cash generated by operations		**(48.89)**	**(226.80)**
Direct taxes (paid)/refund (net)		5.50	(13.63)
Net cash generated by operating activities	A	**(43.39)**	**(240.43)**
Cash flows from investing activities			
Capital expenditure on fixed assets, including capital advances		(104.66)	(449.53)
Proceeds from sale of fixed assets		26.00	-
Purchase of current investments		(242.07)	(590.34)
Proceeds from sale of current investments		741.72	630.21
Loan given to related parties		(425.12)	(190.04)
Interest received		141.19	104.00
Dividend received		18.98	16.59
Rental income		3.21	10.68
Net cash generated by investing activities	B	**159.25**	**(468.43)**

Statement of Cash Flows

for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

		As at 31 March 2018	As at 31 March 2017
Cash flows from financing activities			
Proceeds/(repayment) from short-term-borrowings (net)		38.52	481.83
Proceeds from long-term borrowings		1.63	-
Repayment of long-term borrowings		(69.09)	(98.90)
Proceeds from issue of shares (including proceeds from stock options exercised by employees)		7.13	405.44
Interest and other borrowing cost paid - (including borrowing cost capitalised ₹1.29), (31 March 2017 ₹5.05)		(37.57)	(78.66)
Dividend paid		(48.46)	-
Dividend distribution tax paid		(9.92)	-
Net cash generated from financing activities	C	**(117.76)**	**709.71**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	**(1.90)**	**0.85**
Cash and cash equivalents at the beginning of the year (Refer note 15)		11.86	11.01
Cash and cash equivalents at the end of the year (Refer note 15)		**9.96**	**11.86**

Note: The cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations.
See accompanying notes to the financial statements

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the year	24,37,36,195	487.47	23,82,36,195	476.47
Changes in equity share capital during the year	-	-	55,00,000	11.00
Balance at the end of the year	24,37,36,195	487.47	24,37,36,195	487.47

(b) Other equity

	Reserves & Surplus (note 22)						Fair value of equity instruments through other comprehensive income (note 22)	Money received against share warrants	Total
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings			
Balance at 01 April 2016	10.65	9,591.72	109.86	144.44	(52.43)	(792.71)	2,440.22	130.63	11,582.38
Profit for the year	-	-	-	-	-	(0.12)	-	-	(0.12)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	0.70	33.91	-	34.61
Total comprehensive income for the year	-	-	-	-	-	**0.58**	**33.91**	-	**34.49**
Recognition of share-based payments	-	-	45.64	-	-	-	-	-	45.64
Premium on shares issued during the year	-	511.50	-	-	-	-	-	-	511.50
Premium on exercise of options - proceeds received		27.43							27.43
Vested ESOP lapsed during the year	-	-	-	3.04	-	-	-	-	3.04
ESOP trust consolidated	-	-	-	-	11.98	-	-	-	11.98
Issue of shares against warrants	-	-	-	-	-	-	-	(130.63)	(130.63)
Balance at 31 March 2017	**10.65**	**10,130.65**	**155.50**	**147.48**	**(40.45)**	**(792.13)**	**2,474.13**	-	**12,085.83**
Profit / (loss) for the year	-	-	-	-	-	4,064.07	-	-	4,064.07
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(3.73)	(1,419.54)	-	(1,423.27)
Total comprehensive income for the year	-	-	-	-	-	**4,060.34**	**(1,419.54)**	-	**2,640.80**
Recognition of share-based payments	-	-	20.26	-	-	-	-	-	20.26
ESOP trust consolidated	-	-	-	-	7.79	-	-	-	7.79
Premium on exercise of options - proceeds received	-	9.12	-	-	-	-	-	-	9.12
Adjustment on account of demerger	-	(1,794.63)	-	-	-	(3,915.37)	-	-	(5,710.00)
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	(58.38)	-	-	(58.38)
Vested ESOP lapsed during the year	-	-	-	3.28	-	-	-	-	3.28
Balance at 31 March 2018	**10.65**	**8,345.14**	**175.76**	**150.76**	**(32.66)**	**(705.54)**	**1,054.59**	-	**8,998.70**

See accompanying notes to the financial statements

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

Sathya P. Koushik
Partner

Thane, 24 May 2018

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Notes

to the standalone financial statements for the year ended 31 March 2018

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

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

- Share-based payment transaction as defined in Ind AS 102 – Share-based payment.
- Leasing transaction as defined in Ind AS 17 – Leases.
- Measurement that have some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of Assets."

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest million (up to two decimals).

2.4 Significant Accounting Policies

i. Non-current assets held for sale

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

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

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

ii. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances.

a) Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b) Services

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

c) Export entitlements

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

d) Interest and dividend income

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

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

iii. Leases

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

As Lessee:

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

As Lessor:

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes

to the standalone financial statements for the year ended 31 March 2018

iv. Foreign currency transactions and translation

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

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

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

v. Borrowing costs

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

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

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

vi Employee Benefits

a) Defined benefit plans

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

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

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

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

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

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

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

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

vii Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 47.

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

viii Taxation

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

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that

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taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

ix Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment, properties in the course of constructions are carried at cost, less any recognised impairment loss are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

Nature of the assets	Useful life in years
Building	10-28
Plant and machinery	5-12

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

b) Subsequent costs

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

c) Derecognition of property, plant and equipment

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

x Intangible assets

a) Intangible assets acquired separately

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

b) Internally generated intangible asset - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

c) Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follow:

Nature of the assets	Useful life in years
Product/process development	5
Acquired software	3

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

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

xi Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

xii Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined as follows:

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

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

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

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

xiii Provisions and contingent liabilities

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

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

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

Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent assets are not recognised but are disclosed in the notes to financial statements when economic inflow is probable.

xiv Financial instruments

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

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

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

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

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

a) **Non-derivative financial assets**

(i) **Financial assets at amortised cost**

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

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

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

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

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

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

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

(b) The asset's contractual cash flow represent SPPI

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

(iii) **Equity instruments at fair value through othe comprehensive income (FVTOCI)**
All equity instruments other than investment in subsidiaries are measured at fair value. Equity instruments held for trading is classified as fair value through profit or loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

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

(iv) **Financial assets at fair value through profit or loss (FVTPL)**
FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

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

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

b) Non-derivative financial liabilities

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

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

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

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

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of:

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

(ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

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

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

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

(ii) For foreign currency denominated financial assets/liabilities measured at amortised cost and fair value through profit or loss, the exchange differences are recognised in the statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

(iii) Changes in carrying amount of investments in equity instruments at fair value though other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

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

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

xv Impairment

a) Financial assets
In accordance with Ind AS 109 - Financial Instruments, the

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Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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

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

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

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

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

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

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

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

<u>Financial assets measured at amortised cost, contractual revenue receivables:</u>

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

b) Non-financial assets

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

xvi Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

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

xvii Cash and cash equivalents

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

xviii Segment

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

xix Exceptional items

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

2A. Use of estimates and management judgments

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

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

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

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

2. Impairment

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

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

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

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

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

2B. New standards and interpretations not yet adopted
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 01 April 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115 - Revenue from contract with customers:
On 28 March 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from contracts with customers. The standard replaces Ind AS 11 Construction contracts and Ind AS 18 Revenue. The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers.

The new standard permits two possible methods of transition:

- Retrospective approach - An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.
- Cumulative catch-up approach - An entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

The Company is evaluting the effect of this new standard on revenue trends in the financial statements. The standard is effective for annual periods beginning on or after 01 April 2018.

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
3 Property, plant and equipment and capital work-in-progress		
Carrying amounts of		
Freehold land	0.36	384.34
Buildings	136.66	584.91
Furniture and fixtures	2.41	12.39
Office equipments	3.43	5.87
Computers	2.75	4.45
Plant and machinery	42.99	746.23
Vehicles	0.47	1.97
	189.07	**1,740.16**
Capital work-in-progress	15.31	11.27
Total	**15.31**	**11.27**

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

Cost	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2016	384.34	470.91	10.80	5.12	5.39	887.37	2.98	1,766.91
Additions	-	135.61	5.26	4.07	2.88	159.13	-	306.95
Borrowing cost capitalised	-	2.11	-	-	-	2.94	-	5.05
Reclassified from assets held for sale	-	28.26	-	-	-	-	-	28.26
Balance as on 31 March 2017	**384.34**	**636.89**	**16.06**	**9.19**	**8.27**	**1,049.44**	**2.98**	**2,107.17**
Additions	-	10.62	-	0.84	1.26	17.87	1.56	32.15
Borrowing cost capitalised	-	-	-	-	-	1.29	-	1.29
Transfer on account of demerger (Refer note 38.3)	383.98	501.42	12.05	3.47	1.66	928.76	2.94	1,834.28
Deletions	-	-	-	-	0.34	21.45	0.64	22.43
Balance as on 31 March 2018	**0.36**	**146.09**	**4.01**	**6.56**	**7.53**	**118.39**	**0.96**	**283.90**

Accumulated depreciation	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2016	-	23.23	1.94	1.50	1.88	148.74	0.31	177.60
Depreciation expense for the year	-	28.75	1.73	1.82	1.94	154.47	0.70	189.41
Balance as on 31 March 2017	**-**	**51.98**	**3.67**	**3.32**	**3.82**	**303.21**	**1.01**	**367.01**
Depreciation expense for the year	-	13.63	0.73	1.78	1.88	84.49	0.26	102.77
Transfer on account of demerger (Refer note 38.3)	-	56.18	2.80	1.97	0.62	307.59	0.50	369.66
Deletions	-	-	-	-	0.30	4.71	0.28	5.29
Balance as on 31 March 2018	**-**	**9.43**	**1.60**	**3.13**	**4.78**	**75.40**	**0.49**	**94.83**

Carrying amount	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2017	**384.34**	**584.91**	**12.39**	**5.87**	**4.45**	**746.23**	**1.97**	**1,740.16**
Balance as on 31 March 2018	**0.36**	**136.66**	**2.41**	**3.43**	**2.75**	**42.99**	**0.47**	**189.07**

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
4 Investment property		
Carrying amounts of:		
Investment property	-	61.85
	-	**61.85**

Cost	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of year	63.93	63.93
Transfer on account of demerger (Refer note 38.3)	63.93	-
Balance at the end of year	**-**	**63.93**

Accumulated depreciation	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of year	2.08	1.04
Depreciation expense for the year	1.04	1.04
Transfer on account of demerger (Refer note 38.3)	3.12	-
Balance at the end of year	**-**	**2.08**

Carrying amount	Investment property
Balance as on 31 March 2017	61.85
Balance as on 31 March 2018	-

4.1 Fair value of the Company's investment properties
The fair value of the Company's investment properties as at 31 March 2018 is NIL (as at 31 March 2017 ₹84.69).

	As at 31 March 2018	As at 31 March 2017
5 Other intangible assets		
Carrying amounts of:		
Product / process development	12.61	69.00
Acquired software	35.15	7.51
	47.76	**76.51**
Intangible assets under development	**15.90**	**311.35**
	15.90	**311.35**

Cost	Product / process development	Acquired software	Total
Balance as on 01 April 2016	159.96	3.13	163.09
Additions	23.13	9.97	33.10
Balance as on 31 March 2017	**183.09**	**13.10**	**196.19**
Additions	41.18	67.54	108.72
Transfer on account of demerger (Refer note 38.3)	180.87	23.33	204.20
Deletions	-	8.47	8.47
Balance as on 31 March 2018	**43.40**	**48.84**	**92.24**

Accumulated amortisation	Product / process development	Acquired software	Total
Balance as on 01 April 2016	55.28	1.11	56.39
Amortisation expense for the year	58.81	4.48	63.29
Balance as on 31 March 2017	**114.09**	**5.59**	**119.68**
Amortisation expense for the year	29.76	11.47	41.23
Transfer on account of demerger (Refer note 38.3)	113.06	2.11	115.17
Deletions	-	1.26	1.26
Balance as on 31 March 2018	**30.79**	**13.69**	**44.48**

Carrying amount	Product / process development	Acquired software	Total
Balance as on 31 March 2017	69.00	7.51	76.51
Balance as on 31 March 2018	12.61	35.15	47.76

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All amounts are in ₹ million unless otherwise stated

		Face value	No. of shares	As at 31 March 2018	No. of shares	As at 31 March 2017
6	**Non-current investments**					
A	**Investments in subsidiaries**					
	Unquoted equity instruments (fully paid-up) carried at cost less provision for other than temporary diminution in value					
i)	Alivira Animal Health Limited	₹10.00	41,406,274	4,367.75	41,406,274	4,345.12
ii)	SeQuent Research Limited	₹10.00	4,410,000	142.09	4,410,000	142.09
iii)	SeQuent Antibiotics Private Limited	₹10.00	10,000	0.10	10,000	0.10
iv)	SeQuent Pharmaceuticals Private Limited	₹10.00	9,999	0.10	9,999	0.10
v)	SeQuent Penems Private Limited (Refer note 38.3)	₹10.00		-	4,038,326	201.42
	Less: Provision for other than temporary diminution in value			-		43.43
				-		**157.99**
vi)	SeQuent Global Holdings Limited	$1.00		-	185,108	9.08
	Less: Provision for other than temporary diminution in value			-		9.08
				-		-
vii)	Galenica B.V.	€ 1.00	47,935	4.92	47,935	4.92
	Less: Provision for other than temporary diminution in value			4.92		4.92
				-		-
viii)	Elysian Life Sciences Private Limited	₹10.00	10,000	0.10	10,000	0.10
	Less: Provision for other than temporary diminution in value			0.10		0.10
				-		-
ix)	Elysian Life Sciences Mauritius Limited	$1.00	1,016,000	63.97	1,016,000	63.97
	Less: Provision for other than temporary diminution in value			63.97		63.97
				-		-
	Total (A)			**4,510.04**		**4,645.40**
B	**Other investments**					
a	**Quoted equity instruments carried at fair value through other comprehensive income**					
i)	Strides Shasun Limited	₹10.00	3,312,500	2,216.56	3,312,500	3,638.78
				2,216.56		**3,638.78**
b	**Unquoted equity instruments carried at cost**					
i)	Ambarnath Chemical Manufacturers	₹10.00	1,000	0.01	1,000	0.01
ii)	Tarapur Industrial Manufacturers	₹10.00	2,000	0.04	2,000	0.04
				0.05		**0.05**
c	**Investment in government securities carried at amortised cost**					
i)	National Saving Certificate		-	0.02	-	0.02
ii)	NSC VIII Issue - Tarapur		-	0.06	-	0.06
				0.08		**0.08**
	Total (B)			**2,216.69**		**3,638.91**
	Total (A + B)			**6,726.73**		**8,284.31**
	Aggregate carrying value of unquoted investments (gross)			4,579.16		4,767.03
	Aggregate market value of quoted investments			2,216.56		3,638.78
	Aggregate amount of impairment in value of investments			68.99		121.50

	As at 31 March 2018	As at 31 March 2017
7 Non-current loans		
Unsecured, considered good		
Loan to related parties (Refer note 45.3)	1,141.79	-
Total	**1,141.79**	**-**

	As at 31 March 2018	As at 31 March 2017
8 Other non-current financial assets		
Security deposits	6.06	20.26
Total	**6.06**	**20.26**

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
9 Deferred tax assets (net) (Refer note 40)		
Deferred tax liability		
- Depreciation	35.58	97.90
Total deferred tax liability (B)	35.58	97.90
Deferred tax assets		
- Disallowances u/s 43B of the Income Tax Act, 1961	2.30	32.62
- Unabsorbed depreciation and carried forward of losses	33.28	65.28
MAT credit entitlement	53.74	45.75
Total deferred tax assets (A)	89.32	143.65
Total	**53.74**	**45.75**

The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

	As at 31 March 2018	As at 31 March 2017
10 Income tax assets (net)		
Advance income tax (net of provisions ₹193.86) (As at 31 March 2017 ₹157.20)	13.46	55.62
Total	**13.46**	**55.62**

	As at 31 March 2018	As at 31 March 2017
11 Other non-current assets		
Capital advances	3.75	5.10
Security deposit with government authorities	0.64	1.40
Prepaid expenses	155.09	205.18
Total	**159.48**	**211.68**

	As at 31 March 2018	As at 31 March 2017
12 Inventories		
(At lower of cost and net realisable value)		
Raw materials and packing materials	71.65	212.96
Work-in-progress and intermediates (Refer note (i) below)	60.85	243.88
Finished goods	5.25	165.42
Fuel	0.58	3.08
Total	**138.33**	**625.34**

Note:

(i) Details of inventory of work-in-progress and intermediates:

Bulk drugs	60.85	243.88
Total	**60.85**	**243.88**

		Face value	As at 31 March 2018 No. of shares / units	As at 31 March 2018 As at 31 March 2018	As at 31 March 2017 No. of shares / units	As at 31 March 2017 As at 31 March 2017
13	**Current investments**					
A	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**					
i)	Agrodutch Industries Limited	₹10.00	36,250	-*	36,250	0.04
ii)	Transchem Limited	₹10.00	32,500	1.06	32,500	0.73
iii)	Techindia Nirman Limited	₹10.00	18,270	0.14	18,270	0.09
iv)	Nath Bio Genes (I) Limited	₹10.00	6,930	2.86	6,930	1.03
v)	Agritech (India) Limited	₹10.00	6,300	0.75	6,300	0.24
	Total (A)			**4.81**		**2.13**
B	**Other unquoted equity instruments (fully paid-up) carried at amortised cost**					
i)	Aditya Investment & Communication Limited	₹10.00	58,800	-*	58,800	-*
	Total (B)			**-**		**-**
C	**Unquoted mutual funds carried at fair value through profit or loss**					
i)	Reliance Liquid Fund - Treasury Plan - Daily Dividend Option		-	-	88,319	135.02
ii)	Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		-	-	2,129	8.42
iii)	Birla Sun Life Savings Fund - Growth - Regular Plan		-	-	232,888	209.24
iv)	UTI Short-Term Income Fund - Institutional Option - Growth		6,391,607	135.01	11,224,894	223.81
v)	IDFC Corporate Bond Fund		-	-	13,656,142	44.16
	Total (C)			**135.01**		**620.65**
	Total (A + B + C)			**139.82**		**622.78**
	Aggregate market value of quoted investments			4.81		2.13
	Aggregate carrying value of unquoted investments			-*		-*
	Aggregate net asset value of investment in mutual funds			135.01		620.65

* Not reported due to roundoff.

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All amounts are in ₹ million unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
14 Trade receivables		
Unsecured, considered good	784.66	1,130.30
Unsecured, considered doubtful	6.61	24.44
	791.27	**1,154.74**
Less: Allowance for doubtful trade receivables	6.61	24.44
Total	**784.66**	**1,130.30**

Note:
During the year, the Company discounted trade receivables with an aggregate carrying amount of ₹ NIL (As at 31 March 2017 ₹76.94) to a bank for cash proceeds of same value. If the trade receivables are not paid at maturity, the bank has the right to request the Company to pay the unsettled balance. As the Company has not transferred the significant risks and rewards relating to the trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a financial liability.

	As at 31 March 2018	As at 31 March 2017
15 Cash and cash equivalents		
Balances with banks		
- In current accounts	9.92	11.41
Cash on hand	0.04	0.45
Total	**9.96**	**11.86**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**9.96**	**11.86**

	As at 31 March 2018	As at 31 March 2017
16 Bank balances other than (note 15) above		
In earmarked accounts		
- Unpaid dividend accounts	0.10	0.10
- Margin money deposits (Refer note (i) below)	20.39	18.61
Total	**20.49**	**18.71**

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

	As at 31 March 2018	As at 31 March 2017
17 Current loans		
Unsecured, considered good		
Loan to related parties (Refer note 45.3)	112.23	828.65
Loan to employees	-	0.25
	112.23	**828.90**
Unsecured, considered doubtful		
Loan to related parties (Refer note 45.3)	111.49	247.50
Loan to others	9.61	9.61
	121.10	**257.11**
Less: Allowance for doubtful advances	121.10	257.11
	-	-
Total	**112.23**	**828.90**

	As at 31 March 2018	As at 31 March 2017
18 Other current financial assets		
Claims receivable	4.21	39.23
Security deposit	-	5.12
Derivative instruments (fair value)	-	5.64
Interest accrued on fixed deposits	1.27	1.80
Total	**5.48**	**51.79**

	As at 31 March 2018	As at 31 March 2017
19 Other current assets		
Advance to suppliers	21.47	45.11
Balances with government authorities	167.15	267.67
Prepaid expenses	5.85	12.53
Total	**194.47**	**325.31**

	As at 31 March 2018	As at 31 March 2017
20 Assets classified as held for sale		
Investment in Naari Pharma Private Limited	-	69.61
Total	**-**	**69.61**

Note:
During the year, the Company has sold its investments in Naari Pharma Private Limited (an erstwhile subsidiary) and recognised a gain of ₹38.29 under 'Other Income' (Refer note 31).

	No. of Shares	As at 31 March 2018	No. of Shares	As at 31 March 2017
21 Share capital				
(a) Authorised				
Equity shares of ₹2 each	250,000,000	500.00	250,000,000	500.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹2 each	243,736,195	487.47	243,736,195	487.47
Total		**487.47**		**487.47**

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

	No. of Shares	Share capital
Fully paid equity shares		
Balance at 01 April 2016	**238,236,195**	**476.47**
Shares issued during the year	5,500,000	11.00
Balance at 31 March 2017	**243,736,195**	**487.47**
Shares issued during the year	-	-
Balance at 31 March 2018	**243,736,195**	**487.47**

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Note:

Conversion of warrants

Previous Year:

Conversion of 5,500,000 warrants issued during FY 2016-17 on preferential basis at a conversion price of ₹95 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 31 March 2015.

(ii) Terms/rights attached to equity shares

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

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

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

	As at 31 March 2018		As at 31 March 2017	
Name of the shareholder	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
K R Ravishankar	27,899,930	11.45%	27,899,930	11.45%
Chayadeep Ventures LLP	25,125,000	10.31%	25,125,000	10.31%
Agnus Capital LLP	21,157,560	8.68%	25,125,000	10.31%
Arun Kumar Pillai	23,499,965	9.64%	23,399,965	9.60%
Pronomz Ventures LLP	27,000,000	11.08%	23,032,560	9.45%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.80%	14,138,395	5.80%
TIMF Holdings	15,330,795	6.29%	13,347,370	5.48%

(iv) 1,445,200 shares of ₹2 each (As at 31 March 2017 1,790,000 shares) are reserved towards outstanding employee stock options granted / available for grant.

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

	As at 31 March 2018	**As at 31 March 2017**
Equity shares	17,927,065	17,927,065

	As at 31 March 2018	**As at 31 March 2017**
22 Other equity		
Capital reserve	10.65	10.65
Securities premium account	8,345.14	10,130.65
Share options outstanding account	175.76	155.50
General reserve	150.76	147.48
Retained earnings	(705.54)	(792.13)
Reserve for equity instruments through other comprehensive income	1,054.59	2,474.13
Treasury reserve	(32.66)	(40.45)
Total	**8,998.70**	**12,085.83**

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	As at 31 March 2018	As at 31 March 2017
(a) Capital reserve	10.65	10.65
(b) Securities premium account		
Balance at the beginning of the year	10,130.65	9,591.72
Add: Premium on shares issued during the year	-	511.50
Add: Premium on exercise of options - proceeds received	9.12	27.43
Less: Adjustment on account of demerger (Refer note 38.3)	(1,794.63)	-
Balance at the end of the year	**8,345.14**	**10,130.65**
(c) Share options outstanding account		
Balance at the beginning of the year	155.50	109.86
Add: Amounts recorded on grants during the year	3.71	35.62
Less: Deferred stock compensation expense	16.55	10.02
Balance at the end of the year	**175.76**	**155.50**
(d) General reserve		
Balance at the beginning of the year	147.48	144.44
Add: Vested employee stock options lapsed during the year	3.28	3.04
Balance at the end of the year	**150.76**	**147.48**
(e) Retained earnings		
Balance at the beginning of the year	(792.13)	(792.71)
Add: Profit / (loss) for the year	4,064.07	(0.12)
Add / (less): Other comprehensive income arising from remeasurement of defined benefit obligations, net of income tax	(3.73)	0.70
Less: Dividends distributed to equity shareholders (including tax on dividend)	(58.38)	-
Less: Adjustment on account of demerger (Refer note 38.2)	(3,915.37)	-
Balance at the end of the year	**(705.54)**	**(792.13)**

	As at 31 March 2018	As at 31 March 2017
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	2,474.13	2,440.22
Net fair value gain / (loss) on investment in equity instrument FVTOCI	(1,419.54)	33.91
Balance at the end of the year	**1,054.59**	**2,474.13**
(g) Treasury reserve		
Balance at the beginning of the year	(40.45)	(52.43)
Employee stock options issued during the year	7.79	11.98
Balance at the end of the year	**(32.66)**	**(40.45)**

	As at 31 March 2018	As at 31 March 2017
23 Non-current borrowings		
Secured term loan - at amortised cost		
From bank	-	125.66
From other parties	-	14.10
Total	**-**	**139.76**

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

Particulars	Terms of repayment	As at 31 March 2018	As at 31 March 2017
Term loans from banks:			
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.	-	43.57
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.	-	82.09
Total		**-**	**125.66**
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.	-	14.10

The interest on above term loan from other parties are linked to the respective lender's base rates which are floating in nature.

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

	As at 31 March 2018	As at 31 March 2017
Term loan from other parties	-	14.10
Total	**-**	**14.10**

(iii) The Company has not defaulted in repayment of loans and interest.

(iv) For the current maturities of long-term borrowings, refer note 27 in other current financial liabilities.

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to the standalone financial statements for the year ended 31 March 2018

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	As at 31 March 2018	As at 31 March 2017
24 Non-current provisions		
Provision for employee benefits		
Gratuity (Refer note 41)	0.94	58.86
Compensated absences	3.55	27.19
Others		
Provision for tax (net of advance tax- ₹28.32) (as at 31 March 2017 ₹28.32)	17.18	17.18
Total	**21.67**	**103.23**

	As at 31 March 2018	As at 31 March 2017
25 Current borrowings		
Loans repayable on demand		
Secured loan - at amortised cost		
From banks	-	632.24
Total	**-**	**632.24**

Notes:

(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) The Company has not defaulted in repayment of loans and interest.

	As at 31 March 2018	As at 31 March 2017
26 Trade payables		
Micro, small and medium enterprises (Refer note 43)	7.32	-
Others	238.32	699.57
Total	**245.64**	**699.57**

(i) Trade payables are non-interest bearing and are normally settled in 90 - 120 days.

(ii) The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 50.

	As at 31 March 2018	As at 31 March 2017
27 Other current financial liabilities		
Current maturities of long-term debt*	-	99.86
Unclaimed dividends	0.10	0.10
Payables on purchase of fixed assets	12.72	26.17
Advance received against sale of investment	-	110.00
Other liabilities	-	76.94
Total	**12.82**	**313.07**

* The details of interest rates, repayment terms, securities, guarantees and other terms are disclosed under note 23. Details of current maturities of long-term debt are as below:

	As at 31 March 2018	As at 31 March 2017
Secured term loan from banks		
RBL Bank Limited	-	88.43
Secured loan from other parties		
Housing Development Finance Corporation Limited	-	11.43
Total	**-**	**99.86**

	As at 31 March 2018	As at 31 March 2017
28 Other current liabilities		
Statutory remittances	4.23	28.09
Advance from customers	2.09	11.72
Total	**6.32**	**39.81**

	As at 31 March 2018	As at 31 March 2017
29 Current provisions		
Provision for employee benefits		
Gratuity (Refer note 41)	1.81	-
Compensated absences	0.31	2.38
Total	**2.12**	**2.38**

	Year ended 31 March 2018	Year ended 31 March 2017
30 Revenue from operations		
Sale of products (including excise duty*) (Refer note below)	1,022.43	918.19
Other operating revenues		
Sale of scrap	0.93	3.15
Reimbursement of expenses	15.35	23.99
Duty drawback and other export incentives	26.96	-
Other operating revenues	6.69	-
Total	**1,072.36**	**945.33**

(*) Post implementation of Goods and Services Tax (GST) with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier period included excise duty which is now subsumed in GST. Revenue from operation for the year ended 31 March 2018 included excise duty upto 30 June 2017.

Note:

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products comprises:		
(a) Manufactured goods		
Bulk drugs	463.44	577.80
Total-Sale of manufactured goods	**463.44**	**577.80**
(b) Traded goods		
Bulk drugs	529.08	292.81
Chemicals	29.91	47.58
Total-Sale of traded goods	**558.99**	**340.39**
Total-Sale of products	**1,022.43**	**918.19**

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All amounts are in ₹ million unless otherwise stated

	Year ended 31 March 2018	Year ended 31 March 2017
31 Other income		
Interest income (Refer note (i) below)	140.18	104.02
Net gain on sale of investment in a subsidiary	38.29	-
Profit on sale of fixed assets (net)	1.43	-
Other non-operating income (Refer note (ii) below)	29.81	31.09
Dividend income *	18.98	16.59
Fair value gain on financial instrument at fair value through profit or loss **	14.00	38.97
Total	**242.69**	**190.67**
(i) Interest income comprises:		
Interest on:		
Bank deposits	1.38	1.87
Loans and advances to related parties	134.12	99.94
Others	4.68	2.21
Total	**140.18**	**104.02**
(ii) Other non-operating income comprises:		
Insurance claim received	-	0.03
Liabilities / provisions no longer required written back	17.64	16.37
Rental income (Refer note 45)	0.40	0.40
Corporate guarantee commission (Refer note 45)	6.46	5.16
Miscellaneous income	5.31	9.13
Total	**29.81**	**31.09**

* Includes dividends from equity investments designated as at fair value through other comprehensive income (FVTOCI) ₹14.91 (31 March 2017 ₹13.25)

** Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the end of each reporting period.

	Year ended 31 March 2018	Year ended 31 March 2017
32.a Cost of materials consumed		
Opening stock (net of inventories relating to discontinued operations)	41.30	30.78
Add: Purchases	336.92	459.02
Less: Closing stock (net of inventories relating to discontinued operations)	71.65	41.30
Total	**306.57**	**448.50**
Materials consumed comprises:		
Solvents	69.55	72.17
Chemicals	237.02	376.33
Total	**306.57**	**448.50**

	Year ended 31 March 2018	Year ended 31 March 2017
32.b Purchases of stock-in-trade		
Purchases of stock-in-trade	491.43	281.19
Total	**491.43**	**281.19**
Purchases of stock-in-trade comprises:		
Bulk drugs	461.78	267.31
Chemicals	29.65	13.88
Total	**491.43**	**281.19**

	Year ended 31 March 2018	Year ended 31 March 2017
32.c Changes in inventories of finished goods and work-in-progress & intermediates		
Opening stock (net of inventories relating to discontinued operations)		
Work-in-progress and intermediates	59.33	33.55
Finished goods	2.55	23.89
	61.88	**57.44**
Closing stock (net of inventories relating to discontinued operations)		
Work-in-progress and intermediates	60.85	59.33
Finished goods	5.25	2.55
	66.10	**61.88**
Net (increase) / decrease	**(4.22)**	**(4.44)**

	Year ended 31 March 2018	Year ended 31 March 2017
33 Employee benefit expenses		
Salaries and wages	94.60	123.02
Contributions to provident fund and other funds	5.49	10.31
Share-based payments to employees	13.80	41.46
Staff welfare expenses	4.61	4.23
Total	**118.50**	**179.02**

	Year ended 31 March 2018	Year ended 31 March 2017
34 Finance costs		
Interest expense on borrowings	2.49	4.23
Other borrowing costs	1.43	-
Total	**3.92**	**4.23**

	Year ended 31 March 2018	Year ended 31 March 2017
35 Depreciation and amortisation expenses		
For continuing operations		
Depreciation on property, plant and equipment	14.51	17.71
Amortisation on intangible assets	22.16	14.81
	36.67	**32.52**
For discontinued operations (Refer note 38.2)		
Depreciation on property, plant and equipment	88.26	171.70
Depreciation on investment property	1.04	1.04
Amortisation on intangible assets	19.07	48.48
Less : Depreciation capitalised for intangible assets under development	(1.30)	(2.06)
	107.07	**219.16**
Total	**143.74**	**251.68**

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	Year ended 31 March 2018	Year ended 31 March 2017
36 Other expenses		
Power, water and fuel	23.21	21.39
Consumables	6.25	3.56
Conversion and processing charges	117.56	99.15
Contract labour charges	8.62	15.49
Freight and forwarding	6.81	4.37
Rent including lease rentals (Refer note 46)	5.91	9.51
Rates and taxes	32.93	7.52
Communication expenses	8.31	10.20
Repairs and maintenance		
Building	3.22	3.80
Machinery	8.44	9.16
Others	12.09	15.12
Insurance	5.04	1.93
Travelling and conveyance	12.57	18.07
Advertisement and selling expenses	0.12	-
Commission on sales	1.35	0.35
Legal and professional fees	39.98	45.71
Payments to auditors (Refer note (i) below)	5.77	6.22
Analytical charges	2.52	2.24
Bad trade receivables written off	10.38	0.19
Provision for doubtful trade receivables	3.77	0.74
Net loss on foreign currency transactions and translation	(0.28)	-
Increase/(decrease) of excise duty on inventory	(2.60)	(0.59)
Other expenses	19.68	34.33
Total	**331.65**	**308.46**

Note:

	Year ended 31 March 2018	Year ended 31 March 2017
(i) Payments to the auditors comprises (net of Goods and Services Tax):		
As auditors - statutory audit (including fees for undertaking limited reviews)	5.00	5.00
Fee for certification and other services	0.55	1.00
Reimbursement of expenses	0.22	0.22
Total	**5.77**	**6.22**

	Year ended 31 March 2018	Year ended 31 March 2017
37 Exceptional items		
Write-off of ineligible Goods and Services Tax credits	11.61	-
Total	**11.61**	**-**

38 Discontinued operations

38.1 Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai, vide Order dated 09 March 2018 ('Order'), with effect from the Appointment Date i.e. 01 October 2017, the Human API business of the Company was transferred to Solara Active Pharma Sciences Limited ('Solara').

In line with the accounting prescribed in the Scheme, the net assets of the Human API business transferred amounting to ₹1,794.63 have been debited to the securities premium account. The excess of fair value of the Human API business over the net assets transferred amounting to ₹3,915.37 has been debited to retained earnings with a corresponding credit to the statement of profit and loss as 'Gain on demerger of Human API business'. The Human API business for previous year has been presented as discontinued operations in financial statements.

Pursuant to the above, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company.

38.2 Analysis of profit for the year from discontinued operations

The financial performance and cash flow information of the Human API business included in the statement of profit and loss is as below. The figure for the Human API business included under the current year figure are for the period of 6 months ended 30 September 2017 and are therefore not comparable with the prior year figures (ie year ended 31 March 2017).

		Current year ended 31 March 2018	Previous year ended 31 March 2017
I	Revenue from operations	1,675.84	2,976.80
II	Other income	3.72	10.27
III	**Total income (I+II)**	**1,679.56**	**2,987.07**
IV	**Expenses**		
	Cost of materials consumed	755.08	1,505.15
	Purchases of stock-in-trade	68.52	34.99
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1.06)	(86.79)
	Excise duty on sale of goods	23.88	100.00
	Employee benefit expenses	132.66	243.30
	Finance costs	41.51	79.37
	Depreciation and amortisation expenses (Refer note 35)	107.07	219.16
	Other expenses	381.16	740.35
	Total expenses (IV)	**1,508.82**	**2,835.53**
	Profit / (loss) from discontinued operations before tax (III-IV)	**170.74**	**151.54**
	Gain on demerger of Human API business	**3,915.37**	**-**
	Profit from discontinued operations before tax	**4,086.11**	**151.54**
	Tax expense attributable to discontinued operations		
	(a) Current tax	36.27	-
	(b) MAT credit entitlement	(36.27)	-
	Profit from discontinued operations after tax	**4,086.11**	**151.54**

	Current year ended 31 March 2018	Previous year ended 31 March 2017
Cash flows of discontinued operations		
Net cash inflows / (outflows) from operating activities	105.29	1.44
Net cash inflows / (outflows) from investing activities	(68.41)	(405.34)
Net cash inflows / (outflows) from financing activities	(36.88)	403.90
Net cash outflows	**-**	**-**

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38.3 The carrying amount of assets and liabilities as at appointed date (01 October 2017) are as follows:

		As at 01 October 2017
Assets		
Property plant and equipment		
Gross block	1834.28	
Less: Accumulated depreciation	(369.66)	
Net block		1,464.62
Capital work-in-progress		2.23
Investment property		
Gross block	63.93	
Less: Accumulated depreciation	(3.12)	
Net block		60.81
Intangible assets		
Gross block	204.20	
Less: Accumulated amortisation	(115.17)	
Net block		89.03
Intangible assets under development		240.05
Investments in subsidiaries		157.99
Other non-current financial assets		14.44
Other non-current assets		55.45
Inventories		650.70
Trade receivables		694.54
Other current financial assets		8.59
Other current assets		175.19
Total assets		**3,613.64**
Liabilities		
Non-current borrowings		80.64
Non-current provisions		65.45
Current borrowings		670.76
Trade payables		876.41
Other current financial liabilities		103.01
Other current liabilities		21.27
Current provisions		1.47
Total liabilities		**1,819.01**
Net assets directly associated with discontinued operations		**1,794.63**

	Year ended 31 March 2018	Year ended 31 March 2017
39 Earnings per share		
For continuing operations		
Basic earnings per share (in ₹)	(0.09)	(0.63)
Diluted earnings per share (in ₹)	(0.09)	(0.63)
For discontinued operations		
Basic earnings per share (in ₹)	16.86	0.63
Diluted earnings per share (in ₹)	16.75	0.63
For continuing and discontinued operations		
Basic earnings per share (in ₹)	16.77	(0.00)
Diluted earnings per share (in ₹)	16.66	(0.00)

	Year ended 31 March 2018	Year ended 31 March 2017
Profit attributable to equity shareholders		
For continuing operations		
Profit for the year attributable to equity holders of the Company	(22.04)	(151.66)
Profit attributable to equity shareholders for basic and diluted earnings	**(22.04)**	**(151.66)**
For discontinued operations		
Profit for the year attributable to equity holders of the Company	4,086.11	151.54
Profit attributable to equity shareholders for basic and diluted earnings	**4,086.11**	**151.54**

	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of equity shares		
Issued equity shares at beginning of the year	243,736,195	238,236,195
Effect of shares issued against warrants	-	2,863,014
Effect of treasury shares	(1,445,200)	(1,790,000)
Weighted average number of equity shares at end of the year for basic EPS	**242,290,995**	**239,309,209**
Share options	1,650,343	1,687,780
Weighted average number of equity shares at end of the year for diluted EPS	**243,941,338**	**240,996,989**

	Year ended 31 March 2018	Year ended 31 March 2017
40 Reconciliations of tax expenses and details of deferred tax balances		
i) Income tax expenses relating to continuing operations		
Current tax		
In respect of current year	0.39	-
MAT credit entitlement recognised	(0.39)	-
MAT credit entitlement written off	28.67	-
Total	**28.67**	**-**

	Year ended 31 March 2018	Year ended 31 March 2017
ii) Income tax expenses relating to discontinued operations		
In respect of current year	36.27	-
MAT credit entitlement recognised	(36.27)	-
Total	**-**	**-**

	Year ended 31 March 2018	Year ended 31 March 2017
iii) Income tax expenses relating to continuing and discontinued operations		
In respect of current year	36.66	-
MAT credit entitlement recognised	(36.66)	-
MAT credit entitlement written off	28.67	-
Total	**28.67**	**-**

Tax expenses for the current year represent unutilised MAT credit recognised in earlier year now written off. Other than above the net tax expenses for the Company is Nil considering the unabsorbed tax losses and depreciation. During the year the Company recognised MAT credit entitlement which is expected to be available for set off in the future years.

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iv) Movement in deferred tax balances

	31 March 2018					
	Net balance 01 April 2017	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(97.90)	62.32	-	(35.58)	-	-
Employee benefits	32.62	(30.32)	-	2.30	-	-
Other items	-	-	-	-	-	-
Tax assets / (liabilities)	**(65.28)**	**32.00**	**-**	**(33.28)**	**-**	**-**
Set off tax	**65.28**	**(32.00)**	**-**	**33.28**	**-**	**-**
Net tax assets / (liabilities)	-	-	-	-	-	-
MAT credit entitlement	45.75	7.99	-	53.74	53.74	-
Total	**45.75**	**7.99**	**-**	**53.74**	**53.74**	**-**

	31 March 2017					
	Net balance 01 April 2016	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(185.94)	88.04	-	(97.90)	-	-
Employee benefits	55.75	(23.13)	-	32.62	-	-
Other items	16.46	(16.46)	-	-	-	-
Tax assets / (liabilities)	**(113.73)**	**48.45**	**-**	**(65.28)**	**-**	**-**
Set off tax	**113.73**	**(48.45)**	**-**	**65.28**	**-**	**-**
Net tax assets / (liabilities)	-	-	-	-	-	-
MAT credit entitlement	45.75	-	-	45.75	45.75	-
Total	**45.75**	**-**	**-**	**45.75**	**45.75**	**-**

(v) Unrecognised timing differences and tax losses and depreciation

	As at 31 March 2018	As at 31 March 2017
- Difference between book value and tax base of property, plant and equipment	(101.84)	(282.87)
- Disallowance relating to employee benefits	6.61	94.28
- Unabsorbed depreciation and tax losses	106.14	990.32
Net unrecognised timing differences	**10.91**	**801.73**
Tax impact of unrecognised tax losses and depreciation	**3.78**	**277.48**

(vi) No deferred tax adjustments were required in respect of amounts recognised in other comprehensive income in view of the nature of items included therein and the availability of unabsorbed tax losses(including tax depreciation).

(vii) No deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in subsidiaries.

41 Employee benefit plans

(i) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹5.45 (year ended 31 March 2017 - ₹7.64) for Provident Fund contributions and ₹0.33 (year ended 31 March 2017 - ₹0.17) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. As at 31 March 2018, contribution of ₹0.46 (as at 31 March 2017 - ₹5.80) is outstanding which is paid subsequent to the end of respective reporting periods.

(ii) Defined benefit plan:

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

	31 March 2018	31 March 2017
Expense recognised in the statement of profit and loss:		
Current service cost	5.38	7.53
Net interest cost	2.64	3.86
Expected return on plan assets	(0.20)	(0.36)
Component of defined benefit costs recognised in the statement of profit and loss	**7.82**	**11.03**
Remeasurement on the defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expenses)	0.13	0.15
Actuarial (gains) / losses arising from change in financial assumptions	(1.70)	1.84
Actuarial (gains) / losses arising from experience adjustment	5.30	(2.69)
Components of defined benefit costs recognised in other comprehensive income	**3.73**	**(0.70)**
Total	**11.55**	**10.33**

The current service cost is included in the 'Employee benefit expenses' and the net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

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The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet

	31 March 2018	31 March 2017
Present value of defined benefit obligation (DBO)	4.27	61.61
Fair value of plan assets	1.52	2.75
Funded status [surplus / (deficit)]	(2.75)	(58.86)
Net defined benefit obligation	**(2.75)**	**(58.86)**

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

	31 March 2018	31 March 2017
Opening defined benefit obligation	61.61	53.20
Current service cost	5.38	7.53
Interest cost	2.64	3.86
Liability transferred out / divestment	(62.86)	-
Liabilities transferred in / acquisitions	-	2.46
Benefits paid	(6.10)	(4.59)
Actuarial (gains) / losses arising from changes in financial assumptions	(1.70)	1.84
Actuarial (gains) / losses arising from changes in experience adjustment	5.30	(2.69)
Closing defined benefit obligation	**4.27**	**61.61**

B. Movements in the fair value of plan assets are as follows:

	31 March 2018	31 March 2017
Opening fair value of plan assets	2.75	4.79
Expected return on plan assets	0.20	0.36
Actual contributions from the Company	6.45	2.34
Liability transferred out / divestment	(1.65)	-
Benefits paid	(6.10)	(4.59)
Remeasurement loss / (gain):		
Actuarial gain / (loss)	(0.13)	(0.15)
Closing fair value of plan assets	**1.52**	**2.75**

Actual return on plan assets is ₹(0.13) (31 March 2017 ₹0.21).

Actuarial assumptions

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

	31 March 2018	31 March 2017
Financial assumption:		
Discount rate	7.56%	7.15%
Salary escalation rate	8.00%	12.00%
Demographic assumption:		
Withdrawal rate	8.00%	8.00%
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

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

Sensitivity analysis for significant actuarial assumptions for the determination of the defined benefit obligations is as follows:

	Impact on the defined benefit obligations	
	100 bps increase	100 bps decrease
31 March 2018		
Discounting rate	(0.28)	0.32
Salary escalation rate	0.31	(0.28)
Employee turnover	(0.04)	0.04

	Impact on the defined benefit obligations	
	100 bps increase	100 bps decrease
31 March 2017		
Discounting rate	56.58	67.43
Salary escalation rate	65.20	58.10

	31 March 2018	31 March 2017
42 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the Company not acknowledged as debts *		
- Sales tax / value added tax	-	0.07
- Income tax	0.27	0.97
- Service tax	-	7.48
- Excise duty	-	0.29

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

	31 March 2018	31 March 2017
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances,		
Tangible assets	0.63	56.17

	31 March 2018	31 March 2017
43 Dues to micro, small and medium enterprises		
The amounts remaining unpaid to micro and small suppliers as at the end of the year	7.32	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-

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	31 March 2018	31 March 2017
43 Dues to micro, small and medium enterprises		
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

44 Segment reporting

I. Primary segment (Business segment):

The Company is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Company, the Company has only one business segment viz; pharmaceuticals as primary reportable segment.

II. Secondary segment (Geographical segment):

The Company operates in three principal geographic locations.

(i) Europe
(ii) Asia
(iii) Rest of the world

	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations		
Continuing operations		
Europe	1.35	0.69
Asia	557.17	510.68
Rest of the world	513.84	433.96
Discontinued operations		
Europe	91.36	61.26
Asia	906.11	1,988.03
Rest of the world	678.37	927.51
Total	**2,748.20**	**3,922.13**
II. Total assets		
Europe	-	25.55
Asia	1,490.57	4,242.45
Rest of the world	96.40	398.00
Total segment assets	**1,586.97**	**4,666.00**
Unallocable	8,187.77	9,837.36
Total assets	**9,774.74**	**14,503.36**
III. Cost incurred during the year to acquire segment assets		
Continuing operations		
Asia	60.45	345.10
Discontinued operations		
Asia	81.71	-
Total	**142.16**	**345.10**

45 Related party transactions

45.1 List of related parties

(i) Subsidiaries

Wholly-owned subsidiaries:

Alivira Animal Health Limited, India
SeQuent Research Limited
Elysian Life Sciences Private Limited
SeQuent Antibiotics Private Limited
SeQuent Pharmaceuticals Private Limited
SeQuent Global Holdings Limited (Refer note 4)
SeQuent Scientific Pte Limited (Refer note 5)

Other subsidiaries:

Naari Pharma Private Limited (upto 26 July 2017)
SeQuent Penems Private Limited (upto 30 September 2017) (Refer note 2)

Step down subsidiaries:

Alivira Animal Health Limited, Ireland
Alivira Animal Health Australia Pty Limited
Provet Veteriner Ürünleri San. ve Tic. A.Ş.
Topkim İlaç Premiks San. ve Tic. A.Ş
Fendigo SA
Fendigo BV
N-Vet AB
Alivira Saude Animal Brasil Participacoes LTDA
Interchange Veterinária Indústria E Comércio S.A. Brasil
Vila Viña Participacions S.L.
Laboratorios Karizoo, S.A.
Laboratorios Karizoo, S.A. DE C.V. (Mexico)
Comercial Vila Veterinaria De Lleida S.L.
Phytotherapic Solutions S.L
Alivira UA Limited
Alivira France (Refer note 3)

(ii) Key management personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director
Dr. Gautam Kumar Das, Joint Managing Director (Upto 07 January 2017)
Mr. Sharat Narasapur, Joint Managing Director (From 08 January 2017)
Mr. Tushar Mistry, Chief Financial Officer (From 11 February 2017)
Mr. P R Kannan, Chief Financial Officer (Upto 10 February 2017)
Mr. Krupesh Mehta, Company Secretary (From 11 February 2017)
Mr. Preetham Hebbar, Company Secretary (Upto 10 February 2017)
Mr. K E C Rajakumar, Non-Executive Director
Dr. S Devendra, Non-Executive Director
Dr. Gopakumar G. Nair, Chairman & Independent Director
Dr Kausalya Santhanam, Independent Director
Mr. Narendra Mairpady, Independent Director

(iii) Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company

Strides Shasun Limited
Atma Projects
Agnus Holdings Private Limited
Chayadeep Properties Private Limited
Pronomz Ventures LLP
Naari Pharma Private Limited (From 27 July 2017)
Solara Active Pharma Sciences Limited (From 01 October 2017)

Notes:

1. Related parties are as identified by the Company and relied upon by the Auditors.
2. Pursuant to the scheme of demerger, SeQuent Penems Private Limited has ceased to be the subsidiary of the Company (Refer note 38).
3. Alivira France was incorporated on 02 February 2018.
4. SeQuent Global Holdings Limited ('SGHL'), was wound up vide order dated 06 April 2017.
5. SeQuent Scientific Pte Limited was wound up on 8 January 2018.

The above mentioned provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

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45.2 Transactions for the year

	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2018	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017	**Year ended 31 March 2018**	Year ended 31 March 2017
Sale of materials/services								
Strides Shasun Limited							160.95	557.80
Alivira Animal Health Limited	701.68	935.07						
Sale of machinery/assets								
Alivira Animal Health Limited	20.13	1.28						
SeQuent Research Limited	13.80	-						
Interest and other income								
Alivira Animal Health Limited	100.09	76.14						
Naari Pharma Private Limited			11.73	23.80			20.57	-
SeQuent Research Limited	1.73	-						
Purchase of materials								
Alivira Animal Health Limited	582.73	463.58						
Purchase of scrips								
Alivira Animal Health Limited	2.13	11.97						
Purchase of machinery/assets								
SeQuent Penems Private Limited			-	1.30				
Alivira Animal Health Limited	1.24	3.96						
SeQuent Research Limited	-	9.50						
Naari Pharma Private Limited			-	0.20				
Managerial remuneration (excluding costs relating to post employment benefits)								
Mr. Manish Gupta								
Short-term benefits					10.89	9.22		
Dr. Gautam Kumar Das								
Short-term benefit					-	6.19		
Share-based payments					-	1.28		
Total					**-**	**7.47**		
Mr. Tushar Mistry								
Short-term benefits					6.27	0.78		
Mr. P R Kannan								
Short-term benefits					-	8.01		
Mr. Krupesh Mehta								
Short-term benefits					1.29	0.16		
Mr. Preetham Hebbar								
Short-term benefits					-	0.67		
Directors Sitting Fees					1.14	2.11		
Reimbursement of expenses from								
SeQuent Research Limited	15.35	21.19						
Naari Pharma Private Limited			1.11	5.45			2.15	-
Reimbursement of expenses to								
Strides Shasun Limited							6.30	2.12
SeQuent Penems Private Limited			0.82	1.31				
Analytical charges								
SeQuent Research Limited	23.00	161.74						
Rent expense								
Strides Shasun Limited							-	0.51
Chayadeep Properties Private Limited							-	0.90
Agnus Holdings Private Limited							-	0.08
Security deposit refund by								
Strides Shasun Limited							-	2.27
Chayadeep Properties Private Limited							5.12	-
Security deposit given to								
Chayadeep Properties Private Limited							-	5.12

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	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Provision written back								
SeQuent Penems Private Limited			6.93	17.98				
Investment during the year								
Alivira Animal Health Limited	22.63	33.84						
Naari Pharma Private Limited			0.48	1.11				
Details of balance provided / written off during year								
(i) Loans								
SeQuent Global Holdings Limited	-	0.68						
(ii) Investments								
SeQuent Global Holdings Limited	-	9.08						
Rental income								
Alivira Animal Health Limited	0.40	0.39						
SeQuent Research Limited	2.81	10.29						
Loans given by Company								
Elysian Life Sciences Private Limited	-	0.25						
SeQuent Antibiotics Private Limited	0.02	-						
SeQuent Pharmaceuticals Private Limited	0.04	-						
SeQuent Penems Private Limited			-	0.20				
SeQuent Research Limited	69.50	13.38						
Alivira Animal Health Limited	820.26	583.96						
Naari Pharma Private Limited			-	238.40				
Loans repaid to the Company								
SeQuent Penems Private Limited			-	13.66				
SeQuent Research Limited	13.38	-						
Naari Pharma Private Limited			-	20.00			168.86	-
Alivira Animal Health Limited	372.51	685.11						
SeQuent Global Holdings Limited	-	0.17						
Shares issued on conversion of warrants								
Pronomz Ventures LLP							-	522.50
Money received against share warrants								
Pronomz Ventures LLP							-	391.88
Commission on Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited	4.38	4.05						
Naari Pharma Private Limited			0.48	1.11			1.60	-
ESOP given to employees of Subsidiary company								
Alivira Animal Health Limited	18.25	29.79						
Amount collected by the Company on behalf of								
Alivira Animal Health Limited	-	6.59						
Transactions carried out by the Company on behalf of Alivira Animal Health Limited								
Sales	-	11.79						

Notes

to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

45.3 Balance as at Balance Sheet date

	Wholly owned subsidiaries		Other subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Trade receivables /other current assets								
Strides Shasun Limited							-	104.97
SeQuent Research Limited	31.47	-						
Alivira Animal Health Limited	623.27	388.61						
Naari Pharma Private Limited			-	4.77			8.84	-
Loans receivable								
SeQuent Antibiotics Private Limited	0.51	0.50						
SeQuent Pharmaceuticals Private Limited	0.04	-						
SeQuent Penems Private Limited			-	135.08				
Elysian Life Sciences Private Limited	112.05	112.05						
SeQuent Global Holdings Limited	-	0.68						
Alivira Animal Health Limited	1,070.73	532.79						
SeQuent Research Limited	71.06	13.38						
Naari Pharma Private Limited			-	281.50			111.11	-
Provision made for loans given								
SeQuent Penems Private Limited			-	135.08				
Elysian Life Sciences Private Limited	111.56	111.56						
Security deposit receivable								
Chayadeep Properties Private Limited							-	5.12
Other payable								
Chayadeep Properties Private Limited							-	0.14
Trade payable balance								
Atma Projects							0.20	0.20
SeQuent Research Limited	-	8.39						
Solara Active Pharma Sciences Limited							10.85	-
Strides Shasun Limited							6.80	4.37
Agnus Holdings Private Limited							0.01	0.01
Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited	1,666.62	1,761.95						
Naari Pharma Private Limited			-	929.66				

Notes

to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

46 Operating leases

i) Leases as lessee

a) The Company's significant leasing arrangements are in respect of factory building, land and guest houses. The Company has entered in to cancellable lease arrangement with 1 month notice period for its guest houses.

ii) Payments recognised as an expense (continuing operations)

	31 March 2018	31 March 2017
Lease payments	5.91	9.51
	5.91	**9.51**

There is no non-cancellable operating lease commitments as at 31 March 2018 and 31 March 2017.

47 Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), in the year 2008, as approved by the Shareholders of the Company and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors.

Employees Stock Option Plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
30 May 2013	2,700,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' Scheme.	5 years
12 February 2014	500,000		
28 May 2014	900,000		
12 November 2014	1,000,000		
11 January 2016	500,000		
14 May 2016	345,000		
23 May 2017	50,000		

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹74.17 (during the year ended 31 March 2017: ₹103.26). Options were priced using a black scholes model. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

	31 March 2018	31 March 2017
Inputs into the model		
Grant date	23 May 2017	14 May 2016
Grant date share price	118.30	148.90
Exercise price	87.00	87.00
Expected volatility	54.61%	55.11%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	6.99%	7.64%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	31 March 2018		31 March 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees stock option plan:				
Option outstanding at the beginning of the year	2,925,000	29.87	3,545,000	24.08
Granted during the year	50,000	87.00	345,000	87.00
Exercised during the year	344,800	20.69	530,000	33.03
Forfeited during the year	189,200	72.93	435,000	25.75
Options outstanding at the end of the year	2,441,000	29.00	2,925,000	29.87

D. Share options exercised during the year

The following share options were exercised during the year:

Option series	Number exercised	Exercise date	Share price at exercise date
1. Granted on 30 May 2013	270,000	30 May 2017	107.68
2. Granted on 28 May 2014	50,000	30 May 2017	107.68
3. Granted on 14 May 2016	2,500	15 May 2017	125.50
4. Granted on 14 May 2016	16,500	30 May 2017	107.68
5. Granted on 14 May 2016	4,300	23 May 2017	122.03
6. Granted on 14 May 2016	1,500	24 May 2017	116.45

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹29.00 (as at 31 March 2017: ₹29.87) and weighted average remaining contractual life of 1.68 years (as at 31 March 2017: 2.57 years).

48 Details of research and development expenditure

	31 March 2018	31 March 2017
Revenue expenditure		
Employee benefit expenses	16.65	34.79
Power, water and fuel	4.28	5.01
Legal and professional fees	0.69	0.08
Consumables	1.84	12.48
Travelling and conveyance	0.52	0.56
Analytical charges	31.52	71.34
Others	0.29	0.24
Total	**55.79**	**124.50**

49 Intangible assets / Intangible assets under development

During the year, the following development expenditure have been transferred to intangible assets / intangible assets under development from the statement of profit and loss:

	31 March 2018	31 March 2017
Employee benefit expenses	9.24	17.22
Power, water and fuel	2.37	2.94
Legal and professional fees	0.39	0.04
Raw material and consumables	1.02	15.95
Travelling and conveyance	0.29	0.28
Analytical charges	17.49	35.20
Depreciation	1.30	2.06
Others	0.16	0.62
Sale of validation batches	-	(6.23)
Total	**32.26**	**68.08**

Movement of Intangible assets under development:

	31 March 2018	31 March 2017
a. Movement in development expenses capitalised		
Opening balance	87.80	18.27
Add: Development expenses as per note 49 above	32.26	68.08
Add: Purchase of IP under development	-	1.45
Less: Transferred on account of demerger	110.80	-
Total	**9.26**	**87.80**

	31 March 2018	31 March 2017
b. Balance of other intangible assets under development:		
Other intangible assets (including SAP implementation)	6.64	223.55
	6.64	**223.55**
Total	**15.90**	**311.35**

50 Financial instruments

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

	Carrying value and fair value	
	31 March 2018	31 March 2017
Financial assets		
Measured at amortised cost		
Investment in subsidiaries	4,510.04	4,645.40
Other investments	0.08	0.08
Trade receivables	784.66	1,130.30
Cash and cash equivalents	9.96	11.86
Other bank balances	20.49	18.71
Loans	1,254.02	828.90
Other financial assets	11.54	66.41
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	2,221.37	3,640.91
Investment in equity instruments (Unquoted)	0.05	0.05
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	135.01	620.65
Derivative assets	-	5.64
Total	**8,947.22**	**10,968.91**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	-	871.86
Trade payables	245.64	699.57
Other financial liabilities	12.82	213.21
Total	**258.46**	**1,784.64**

50.1 Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2018 and 31 March 2017.

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

Particulars	Date of valuation	Fair value measurement using Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
Derivative financial assets designated at fair value through profit and loss (note 18):					
Foreign currency forward contracts	31 March 2018	-	-	-	-
Foreign currency forward contracts	31 March 2017	5.64	-	5.64	-
Financial assets designated at fair value through other comprehensive income (note 6 and 13):					
Investment in equity instruments (Quoted)	31 March 2018	2,221.37	2,221.37	-	-
Investment in equity instruments (Quoted)	31 March 2017	3,640.91	3,640.91	-	-
Investment in equity instruments (Unquoted)	31 March 2018	0.05	-	0.05	-
Investment in equity instruments (Unquoted)	31 March 2017	0.05	-	0.05	-
Financial assets designated at fair value through profit and loss (note 13):					
Investment in mutual funds	31 March 2018	135.01	-	135.01	-
Investment in mutual funds	31 March 2017	620.65	-	620.65	-

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

Note:

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

(ii) The fair value of the investments in equity is based on the quoted price. The fair value of investments in mutual fund is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

50.2 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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

The Company has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange/Regulations. The Audit Committee comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

50.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent

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All amounts are in ₹ million unless otherwise stated

losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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

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

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

	31 March 2018	31 March 2017
Outstanding for more than 6 months	13.59	589.59
Others	771.07	540.71
	784.66	**1,130.30**

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

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter parties that have a good credit rating. The Company does not expect any losses from non- performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

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

Information about major Customer
Revenue from single external customer is approximately ₹513.19 (31 March 2017 ₹1,210.77) representing 50% of Company's total revenue from continuing business for the year ended 31 March 2018. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the company. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on. As at 31 March 2018, an amount of ₹1,666.62 (as at 31 March 2017 ₹2,691.61) is outstanding as financial guarantee. These financial guarantees have been issued to banks under the loan agreements entered into with the subsidiaries.

50.4 Liquidity risk

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

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

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018 and 31 March 2017:

Particulars	As at 31 March 2018			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	245.64	-	-	245.64
Other financial liabilities	12.82	-	-	12.82
Financial guarantee	1,666.62			

Particulars	As at 31 March 2017			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long term borrowings)	732.10	99.86	39.90	871.86
Trade payables	699.57	-	-	699.57
Other financial liabilities	213.21	-	-	213.21
Financial guarantee	2,691.60			

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

The Company is exposed to interest rate risk arising mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate foreign currency exposure.

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

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

Foreign currency	As at 31 March 2018		As at 31 March 2017	
	Receivables/ (payables)	Receivables/ (payables) in foreign currency	Receivables/ (payables)	Receivables/ (payables) in foreign currency
USD	94.73	1.47	437.81	6.75
Euro	(0.01)	(0.00)	(0.99)	(0.01)
USD	(11.49)	(0.18)	(635.00)	(9.79)
SGD	-	-	(0.48)	(0.01)

b) Derivatives instruments

Derivative transactions are undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

Outstanding forward exchange contracts entered into by the Company as on 31 March 2018 and 31 March 2017:

Currency	Amount in US $		Buy / Sell	Cross currency
	31 March 2018	31 March 2017		
USD	-	0.93	Buy	Rupee
USD	-	2.00	Sell	Rupee

c) Foreign currency sensitivity analysis

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

	Impact on profit or loss and total equity	
	31 March 2018	31 March 2017
Currency of U.S.A (USD)	(8.32)	19.72
Currency of Europe (Euro)	-	0.10
Others	-	0.05

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

50.6 Financial instrument-risk exposure and fair value

Interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are as follows:

	31 March 2018	31 March 2017
Fixed-rate instruments		
Financial assets		
-Margin money deposit	20.39	18.61
Total	**20.39**	**18.61**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	-	846.33
-Borrowings from others	-	25.53
Total	**-**	**871.86**

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2018		
Variable-rate instruments	-	-
	-	**-**
31 March 2017		
Variable-rate instruments	(8.72)	8.72
	(8.72)	**8.72**

51 Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 23, 25 & 27 and 15 & 16 offset by cash and bank balances) and total equity (as detailed in notes 21& 22) of the Company.

The Company's Gearing Ratio at end of the year is as follow:

Particulars	31 March 2018	31 March 2017
Debt (i)	-	871.86
Cash and cash equivalents (ii)	(9.96)	(11.86)
Other bank balance (iii)	(20.39)	(18.61)
Net debt [(i) - {(ii) + (iii)}]	**(30.35)**	**841.39**
Total equity	**9,486.17**	**12,573.30**
Gearing ratio	**Nil**	**6.69%**

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to the standalone financial statements for the year ended 31 March 2018

All amounts are in ₹ million unless otherwise stated

(i) Debt is defined as long-term (including current maturity excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio: Net debt/ Equity. Since net debt is negative at 31 March 2018, gearing ratio is disclosed as Nil.

52 Corporate Social Responsibility Expenses (CSR)

As per Section 135 (1) of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy.

Details of CSR spent during the financial year:

The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of Company CSR Policy and therefore, in the current financial year there was a short spent of ₹0.60 towards the CSR activities.

53 The financial statements were approved for issue by the board of directors on 24 May 2018.

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narsapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 24 May 2018

SeQuent Scientific Limited
CIN: L99999MH1985PLC036685
Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7,Road No. 22,
Wagle Industrial Estate, Thane (West) - 400 604,
Tel No: +91 22 4111 4777 Website: www.sequent.in | Email: investors@sequent.in

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of SeQuent Scientific Limited will be held on Thursday, September 27, 2018 at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhania High School, Thane (West) – 400 606 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

Item no. 1 – Adoption of Financial Statements for the period ended 31 March 2018

To receive, consider and adopt:

a) the Audited Financial Statements of the Company for the financial year ended 31 March 2018, together with the reports of the Board of Directors and the Auditors thereon;

and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2018, together with the Report of the Auditors thereons

Item no. 2 – Confirmation of Interim Dividend

To confirm the interim dividend of ₹ 0.20 per equity share (10%) of face value of ₹ 2/- each already paid, as the final dividend for the financial year ended 31 March 2018.

Item no. 3 – Appointment of a Director in place of a retiring Director

To appoint a Director in place of Mr. KEC Rajakumar, Director (DIN: 00044539), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

Item no. 4 – Remuneration to the Cost Auditor for the Financial Year 2018-19

To consider and if thought it, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, consents and permissions, if required, the Members hereby ratify the remuneration upto limit of ₹ 350,000/- (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and out-of- pocket expenses incurred in relation to cost audit, payable to M/s. Kirit Mehta & Co., Practicing Cost Accountants, who have been appointed by the Board of Directors of the Company to conduct audit of the Cost records for the Financial Year 2018-19.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Item 5: Approval for continuation of current term of Dr. Gopakumar Nair as an Independent Director

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members be and is hereby accorded to Dr. Gopakumar Nair (DIN: 00092637), Director of the Company to continue to hold office of Independent Director under the current tenure of appointment which ends on 29 September 2019."

By order of the Board of Directors
For SeQuent Scientific Limited

Place: Mumbai
Date: 9 August 2018

Krupesh Mehta
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. Pursuant to the provisions of the Section 105 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment for the time being in force), a person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent (10%) of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent (10%) of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out material facts in respect of the business of this notice is annexed hereto.

4. Members are requested to kindly bring the attendance slip duly filled and signed and handover the same at the entrance of the meeting.

5. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment / re-appointment at the AGM, is given in the Exhibit to this Notice.

6. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the Annual General Meeting.

7. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

8. All documents referred to in the Notice and Explanatory Statement annexed thereto are available for inspection at the Registered Office of the Company between 10 AM to 12 Noon on all working days of the Company till the date of the Thirty Second Annual General Meeting.

9. During the Financial year 2017-18, the Company had transferred unclaimed dividend of ₹ 24,862.50 to the Investor Education and Protection Fund.

10. In support to the Green Initiative, the Company has decided to send documents like Notice convening the general meetings, Financial Statements, Board's Report, and Auditors' Report etc. to the email address registered by the Members with their depositories. We request Members to update their email address with their depository participant to ensure that the annual report and other documents reach them on their preferred email address. Members who have not registered their email ids with depository participants may register their email ids with their respective depository participants. Members holding shares in physical form may intimate us their e-mail address along with name, address and folio no. for registration at investors@sequent.in. Shareholders may obtain the physical copies of these documents by writing to the Company Secretary at the registered office of the Company.

11. Members may also note that the Notice convening the Thirty Third Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form will be available on Company's website i.e., www.sequent.in.

12. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-Voting") to its members. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-Voting facilities and for security and enabling the members to cast their vote in a secure manner.

    It may be noted that this e-Voting facility is optional. The e-Voting facility will be available at the link https://www.evoting.nsdl.com during the following voting period:

    Commencement of e-voting: From 09.00 a.m. 24 September 2018

    End of e-voting: Upto 5.00 p.m. of 26 September 2018

    The e-Voting shall not be allowed beyond 5.00 p.m. September 26, 2018. During the e-Voting period, Members of the Company, holding shares as on September 20, 2018 either in physical form or in dematerialised form may cast their vote electronically. A member may participate in the Annual General Meeting even after exercising his/ her right to vote through e-Voting but shall not be eligible to vote at the meeting.

13. The login ID and password for e-Voting along with process, manner and instructions for e-Voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company/ their respective Depository Participants are being forwarded the login ID and password for e-Voting along with process, manner and instructions by e-mail. The members who are holding equity shares of the Company as on September 21, 2018 and not received the login ID and password for e-Voting may receive the same from NSDL on request.

14. The Company has appointed Mr. Mahesh Darji, Practicing Company Secretary, as Scrutinizer', for conducting the e-Voting process for the Annual General Meeting in a fair and transparent manner.

15. Members who have acquired shares after the dispatch of the annual report may obtain the user ID and password by sending a request at investors@sequent.in.

Process to vote electronically using e-voting system

Details on Step 1 is given below:
Login to NSDL e-voting system at https://www.evoting.nsdl.com

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
	For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Exhibit to the Notice:
Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. KEC Rajakumar
Directorships held in other Companies (excluding private, foreign and Section 8 companies)	Consolidated Construction Consortium Limited
Membership / Chairmanship of Committees (includes only Audit and Stakeholders Relationship Committee)	Member of Audit Committee in Consolidated Construction Consortium Limited
Expertise in specific functional area	Finance and Investment
Shareholding in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	None
Date of Birth	28 September 1962
Qualification	M. Sc and M. Phil and AMP from Harvard Business School

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

As required by section 102 (1) of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all the material facts relating to the businesses mentioned under Item Nos. 4 to 5 of the accompanying notice:

Item no. 4: Remuneration to the Cost Auditor for the Financial Year 2018-19

In terms of provisions of Section 148 (3) of the Companies Act, 2013 and the Companies (cost records and audit) Rules, 2014 as notified by Ministry of Corporate Affairs, the Company has to appoint a Cost Auditor for the financial year 2017-18 within one hundred and eighty days of the commencement of every financial year. In compliance with the same, the Board in its meeting held on May 24, 2018 appointed M/s. Kirit Mehta & Co., Practicing Cost Accountant, as Cost Auditor for the Financial Year 2017-2018 on a remuneration upto limit of ₹ 350,000/- per annum (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and out-of-pocket expenses on the recommendation of the Audit Committee of the Company.

As per Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors has to be ratified subsequently by the members of the Company.

Accordingly, members' approval is sought for the remuneration payable to M/s. Kirit Mehta & Co., Cost Accountant, for the Financial Year 2018-19.

The Board of Directors recommends the resolution as set out in item no. 4 of this notice for the approval of members by way of Ordinary Resolution.

None of the Director, Promoter, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

Item No. 5: Continuation of Dr. Gopakumar Nair as an Independent Director

In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy-five years.

Dr. Gopakumar Nair was appointed as Independent Director on 29 September 2014 in terms of Companies Act, 2013. At the time of the appointment his age was 73 years. Since he has crossed the age of 75 years and in compliance with the requirements of the aforementioned Regulations, the consent of the Members by way of Special Resolution is sought for continuation of Dr. Nair as a Non- Executive Director.

Brief Profile of Dr. Gopakumar Nair is as follows:

With his 40 years experience and knowledge in pharmaceutical and chemical industry at different levels and positions. He was also Past-President of Indian Drug Manufacturers' Association, he is familiar with GATT, WTO, TRIPs and other IP laws over the years.

The Board feels that Dr. Gopakumar Nair's vast experience in understanding the business of the Company and also in pharmaceutical space has added great value to the Company in the past and we feel his continued presence in the Board will be help the Board immensely, at this critical juncture where the Company is aspiring to emerge as a top 10 Animal Health Company in the world.

Except Dr. Nair, none of the Promoters, other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members of the Company.

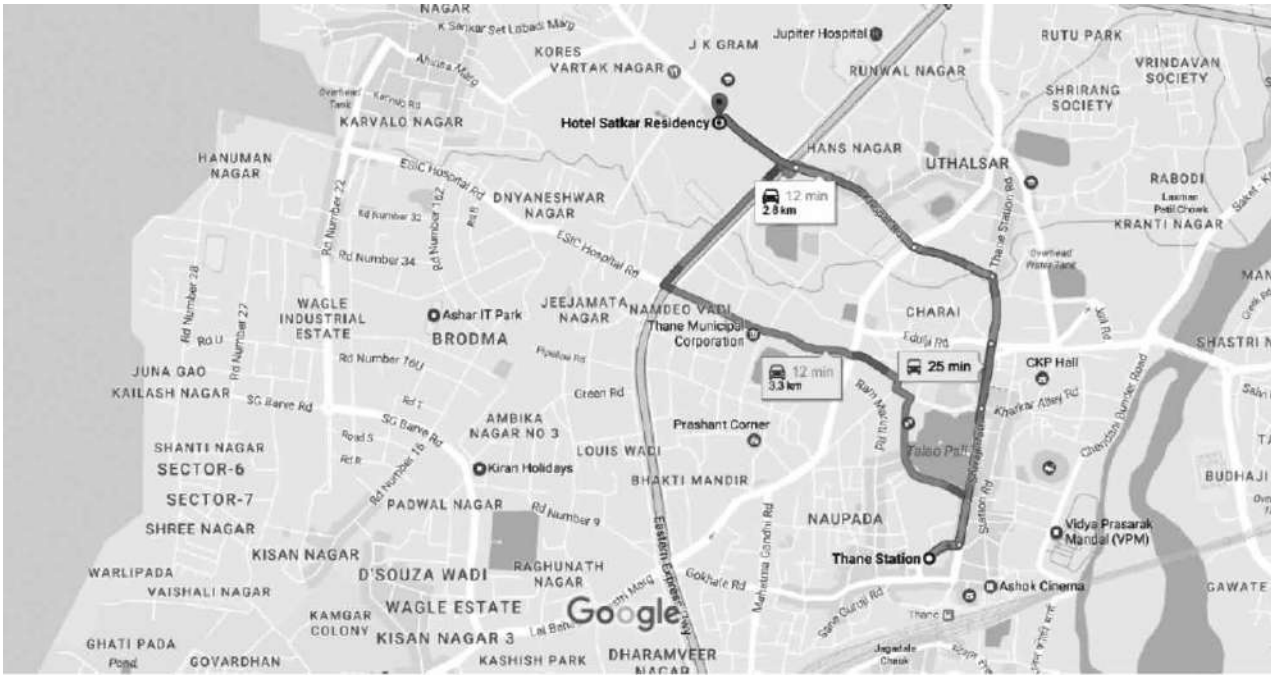
By order of the Board of Directors
For SeQuent Scientific Limited

Place: Mumbai
Date: 9 August 2018

Krupesh Mehta
Company Secretary

Location Map of Venue of the Thirty Third Annual General Meeting of the Company to be held on Thursday, 27 September 2018 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W) – 400 606, at 11.30 a.m.

Thane Station to Hotel Satkar Residency



SeQuent Scientific Limited

CIN: L99999MH1985PLC036685
Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7,Road No. 22, Wagle Industrial Estate, Thane (West) - 400 604,
Tel No: +91 22 4111 4777 Website: www.sequent.in | Email: investors@sequent.in

ATTENDANCE SLIP

Regd. Folio No*. / Client ID : ______________________

Name & Address of First/ Sole Shareholder : ______________________

No. of Shares held : ______________________

I hereby record my presence at the Thirty Third Annual General Meeting of the Company to be held on Thursday, 27 September 2018 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W) – 400 606 at 11.30 a.m.

____

Signature of the Member/ Proxy

Notes:

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

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

*Applicable in case shares are held in Physical Form

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PROXY FORM (MGT – 11)
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: : L99999MH1985PLC036685

Name of the Company : SeQuent Scientific Limited

Registered Office : 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (West) – 400 604, Maharashtra

Name of the Member :______________________

Registered Address :______________________

Email ID :______________________

Regd. Folio No.* / Client ID :______________________

DP ID :______________________

*Applicable in case shares are held in Physical Form

I/ We being the Member(s) of ______________________ shares of the above named Company, hereby appoint:

1. Name: ______________________
   Address:______________________
   Email ID:______________________ Signature: ______________________ or failing him/ her
2. Name: ______________________
   Address:______________________
   Email ID:______________________ Signature: ______________________ or failing him/ her
3. Name: ______________________
   Address:______________________
   Email ID:______________________ Signature: ______________________ or failing him/ her

as my/ our Proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the Thirty Third Annual General Meeting of the Company to be held on Thursday, 27 September 2018 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W) – 400 606, Maharashtra at 11.30 a.m. and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Resolutions	Vote*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the period ended 31 March 2018.		
2	Confirmation of Interim Dividend.		
3	Appointment of Director in place of retiring director.		
Special Business			
4	Remuneration to the Cost Auditor for the Financial Year 2018-19.		
5	Continuation of Dr. Gopakumar Nair as an Independent Director.		

Signed this ____________________ day of ____________________ 2018

Signature of Shareholder: ____

Signature of Proxy holder(s): ____

Affix
Revenue
Stamp

* It is optional to put a "√" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

a) Proxy need not be a member of the Company.

b) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company (Registered Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (W) – 400 604, Maharashtra) not less than 48 hours before the commencement of the meeting.

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

Corporate information

BOARD OF DIRECTORS

Dr. Gopakumar G Nair
Chairman and Independent Director

Mr. Manish Gupta
Managing Director and Chief Executive Officer

Mr. Sharat Narasapur
Joint Managing Director

Dr. Kausalya Santhanam
Independent Director

Mr. Narendra Mairpady
Independent Director

Dr. S Devendra
Non-Executive Director

Mr. K E C Rajakumar
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Tushar Mistry

COMPANY SECRETARY

Mr. Krupesh Mehta

REGISTERED OFFICE

301, 3rd Floor, Dosti Pinnacle,
Plot No. E7, Road No.22
Wagle Industrial Estate
Thane (West) - 400 604,
Maharashtra

STATUTORY AUDITORS

M/s. Deloitte Haskins and Sells
Anchorage 2, 100/2,
Richmond Road
Bengaluru – 560 025, Karnataka

BANKERS

1. Export Import Bank of India,
2. RBL Bank Limited
3. Yes Bank

REGISTRAR & SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial
Estate, 1st Floor
Makhwana Road,
Marol Naka, Andheri (East)
Mumbai – 400 059, Maharashtra

GLOBAL FACILITIES

Plot Nos. 136, 137, 138, 139, 140,
141, 150, 151 & W-152, MIDC,
Tarapur, Boisar Dist. Thane,
Maharashtra, India

Plot Nos. A-68, Additional
Ambernath, MIDC Indl. Area,
Ambernath (East) Dist. Thane,
Maharashtra, India

Plot No- 104 to 109 & Part of
112 & 113, Ramky Pharma City
SEZ JNPC, Parawada Mandal,
Visakhapatnam, Andhra
Pradesh, India

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

Karizoo, Spain
Polig. Industrial La Borda
Mas Pujades, 11-12
08140 Caldes de Montbui
(Barcelona) Spain

Interchange, Brazil
Rua João Baptista de Queiroz
Júnior, 447
Jd. Myriam | ZIP 13.098-415
Campinas-SP

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

Registered Office

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Website: www.sequent.in | E-mail id: info@sequent.in

/concept, content and design at AICL (hello@aicl.in)