Sequent
Proven Ability In Life Sciences

Annual Report
2016-17

Leading with Vision Building with Passion

India's No. 1 animal health company

ALIVIRA

₹9,151 mn
Revenue from Operations

₹881 mn
EBITDA

₹5,979 mn
Gross Block and CWIP

In 2016-17

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Equity share information

Market capitalisation:	Promoters holding:	NSE:	BSE:
₹ 30,701 mn (31 March, 2017)	57.2%	SEQUENT	512529

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

Our vision is to emerge as a leading integrated global animal health company, committed to quality veterinary solutions. We provide high-quality animal healthcare products that address people's fundamental needs for nutrition and companionship.

2016-17 saw us taking our first steps towards our stated vision of becoming a world leader in pure-play animal health markets. Our product launches, plant approvals and plans for the demerger are helping us achieve our business vision.

We are helping improve efficiency and farm productivity by providing innovative solutions to veterinarians. At the same time, we are building worldwide scale and nurturing a growing talent pool.

Our portfolio of products, geographic reach and R&D expertise are enabling us to remain ahead of the curve in a rapidly growing industry.

We are leading with vision across markets and building a future-focused animal health company with passion.

To create value for all.

CREATING A GLOBAL BRAND

Headquartered in Mumbai, SeQuent is an integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (API and formulation), Human Health (API) and Analytical Services.

Through our subsidiary, Alivira Animal Health Limited (Alivira), we are emerging as a global and integrated company in the animal health segment. In the human health segment, we focus on building a portfolio of niche APIs, which are produced in low volumes, but require high levels of technological proficiency, thereby limiting competition.

Over the years, our strategy has constantly evolved in keeping with the market opportunities and the ever-changing environment. A rapidly changing environment, such as the one we find ourselves in, offers only very short-term victories to companies that set out to beat the opposition or to capture more market share. SeQuent believes that the long-term advantage lies with those organisations that focus on the environment as a whole and not just on the competition.

SeQuent, in keeping with the changing times, has consolidated on its core businesses and now stands at the footsteps of chartering a growth path with its animal health business while demerging the Human Health into a separate entity.

Our vision

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

Our mission

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

Our values

Adaptability · *Collaboration* · *Integrity* · *Continuous Improvement* · *Ownership*

Value enablers

Creating Consistent value

Execution excellence driving enduring partnerships

Addressing global animal health challenges

Knowledge-driven product portfolio

High-quality benchmarks

Alivira

Animal Health

- *Active Pharmaceutical Ingredient (API)*
- *Formulations*

Key achievements of 2016-17

- Received USFDA approval for our Vizag facility dedicated to animal health APIs
- Forayed into vaccines with IDT Biologika, Germany - for marketing vaccines in India
- Integrated operations of acquired businesses in Brazil (Evance), Spain and Mexico, successfully
- Transitioned business in Turkey to new GMP regime
- Forayed into Ukraine and initiated product trials
- Expanded to five new countries taking the total footprint to 95+ countries
- Launched three new formulations in Europe and 28 products across other key markets

No.1
Animal health company from India

6
World-class manufacturing facilities

5
State-of-the-art R&D centres

450+
Animal health finished dosages across 12 dosage forms

23+
Animal health APIs

35+
Animal health formulations and APIs under development

95+
Country sales presence for animal health formulations and APIs

700+
Motivated members

NURTURING A PROMISE

Pre-2013

Low-margin Business

Achievements

- Formed by the amalgamation of businesses
- API-led strategy

Outcomes

Predominantly low value APIs and specialty chemicals

2013-15

Re-strategised from 'Growth' to 'Value'

Achievements

- Established Alivira: Global integrated animal health business
- Refocused human pharma business with focus on mature APIs and regulated markets
- Divested non-core specialty chemical business
- Enhanced R&D focus

Outcomes

- Closed operations in Ambernath and Dombivili
- Strengthened balance sheet (Promoter infusion and QIP)
- Established state-of-the-art API facilities

Today

Built scale and capabilities

Achievements

- India's first global integrated animal health company
- Achieved US$ 120 million+ revenue run rate
- Deepened know-how and capabilities
- Extensive global front-end presence

Outcomes

- Organic and inorganic expansion
- Building scale and capabilities
- Integration and cross-leveraging
- Aggressive R&D in API and formulations

Moving Ahead

Leading with vision, building with passion

PURE PLAY ANIMAL HEALTH ENTERPRISE
FOCUS ON CREATING DISRUPTIVE VALUE

FINANCIAL PERFORMANCE*

REVENUE FROM OPERATIONS ₹ in Millions

47% ↑

FY16-17	**9,151**
FY15-16	6,214
FY14-15	4,654
FY13-14	4,555
FY12-13	3,269

EBIDTA ₹ in Millions

60% ↑

FY16-17	**881**
FY15-16	552
FY14-15	305
FY13-14	206
FY12-13	(107)

GROSS BLOCK + CWIP ₹ in Millions

11% ↑

FY16-17	**5,979**
FY15-16	5,374
FY14-15	5,642
FY13-14	4,027
FY12-13	4,100

DEBT TO EQUITY Ratio

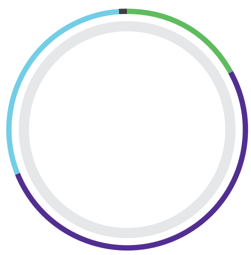
FY16-17	**0.4**
FY15-16	0.3
FY14-15	5.2
FY13-14	7.4
FY12-13	3.3

REVENUE BY GEOGRAPHY %

EUROPE	38
ASIA	23
REST OF WORLD	39

REVENUE BY SEGMENT %

ANIMAL HEALTH API	17
ANIMAL HEALTH FORMULATIONS	52
HUMAN API	30
ANALYTICAL SERVICES	01



*FY16-17 and FY15-16 figures as per Ind AS and FY 14-15, FY 13-14, FY 12-13 as per Indian GAAP

How we create VALUE

Formulations

Multi-location manufacturing across key geographies.

API

State-of-the-art USFDA approved dedicated animal health facility.

Management

Created global capabilities, including local management teams across acquisitions.

R&D

Established multi-region R&D programme, leveraging local capabilities.

Regulatory

Expedited filings with global regulatory agencies leveraging acquired know-how.

Technical

Supported global operations with expertise from India.

Expanded

Reach to new markets of Europe, Turkey, LATAM and recently Ukraine.

Strengthened

Presence in India's cattle markets.

Organic

Foray into SEA (Philippines, Myanmar and Vietnam), Nigeria and West Africa.

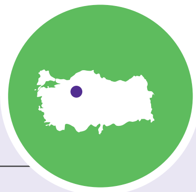
OUR MANUFACTURING FACILITIES

Visakhapatnam
Andhra Pradesh, India

- USFDA and EU approved
- Reactor capacity of 224.6 KL with six clean rooms

Barcelona
Spain

- EU-GMP approved
- Manufactures: Liquids - oral solutions/suspension, solid (powders) - beta-lactam and non-beta lactam antibiotics
- Specialises in nutrition products - Veterinary premixes



Polatli
Turkey

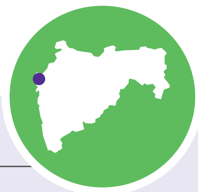
- Turkish GMP approved
- Manufactures: Beta-lactam and non-beta lactam injectable solutions/suspensions, oral solutions/suspension, aerosol and pour-on, spot-on, intra mammaries

Campinas
Brazil

- MAPA approved (Ministry of Agriculture)
- Manufactures: Oral medicated powders (water soluble), non-medicated powders - feed additives, oral solutions, drug premixes

Ambernath
Maharashtra, India

- Certified by: India – NAFDAC*, Kenya - Pharmacy and Poisons Board, Uganda NDA^, Ethiopia – FMHCA+
- Manufactures granules for injections, oral liquids (solutions and suspension) and powders



Tarapur
Maharashtra, India

- Intermediate facility
- Reactor capacity of 64 KL with two clean rooms

*NAFDAC – National Agency for Food and Drug Administration and Control
^NDA – National Drug Authaority
+FMHCA - Food, Medicine and Health Care Administration and Control Authority of Ethiopia

GLOBAL FOOTPRINT

01	Algeria	22	Sri Lanka	41	Holland	62	New Zealand	81	Slovenia
02	Argentina	23	Costa Rica	42	Honduras	63	Nigeria	82	Spain
03	Australia	24	Croatia	43	Hong Kong	64	Oman	83	Sweden
04	Austria	25	Cyprus	44	Hungary	65	Pakistan	84	Switzerland
05	Azerbaijan	26	Czech Republic	45	India	66	Panama Republic	85	Taiwan
06	Bahrain	27	Denmark	46	Indonesia	67	Paraguay	86	Thailand
07	Bangladesh	28	Dominican Republic	47	Iran	68	Peru	87	Togo
08	Belarus	29	Ecuador	48	Ireland	69	Philippines	88	Tunisia
09	Belgium	30	Egypt	49	Israel	70	Poland	89	Turkey
10	Benin	31	El Salvador	50	Italy	71	Portugal	90	Turkmenistan
11	Bolivia	32	Estonia	51	Ivory Coast	72	Qatar	91	Uganda
12	Brazil	33	Ethiopia	52	Jordan	73	Republic of Macedonia	92	United Arab Emirates
13	Bulgaria	34	Finland	53	Kenya	74	Romania	93	United Kingdom
14	Burundi	35	France	54	South Korea	75	Russia	94	Uruguay
15	Cameroon	36	Georgia	55	Luxembourg	76	Dominican Republic	95	USA
16	Canada	37	Germany	56	Macedonia	77	Rwanda	96	Vietnam
17	Chad	38	Ghana	57	Mali	78	Saudi Arabia	97	Zimbabwe
18	Chile	39	Greece	58	Mexico	79	Senegal		
19	China	40	Guatemala	59	Morocco	80	Singapore		
20	Colombia			60	Myanmar				
21	Columbia			61	Netherlands				

MESSAGE FROM THE MANAGING DIRECTOR

SeQuent, as a Company, has been striving hard to change the way animal health is perceived, by constantly attempting to bridge the gap between the demand for animal health products and its supply. Backed by strong R&D facilities and world-class manufacturing capability, your Company has been catering successfully not only towards the production animal segment but also the ever-growing companion animal segment.

Dear Shareholders,

The year fiscal 2017 can be considered as a culmination of a journey that we started three years ago to position SeQuent as a world leader in Animal Health space which is in line with our stated vision. The journey in these past three years has been challenging and exciting at the same time as we acquired companies across various geographies, shut down businesses that were non-strategic to the Company, developed and introduced new products, streamlined operations and put in place a team that we believe is uniquely positioned to address the opportunities that the industry presents itself.

It gives me immense pleasure to see the efforts of the last three years come to a fruition as your Company is now a globally recognised player with presence in over 95 countries and acknowledged as an important player amongst the World's Animal Healthcare Companies.

The global animal health market size was valued at USD 35 billion in 2015 and is expected to grow at a CAGR of 7% over the next five years. The market is largely driven by a significant rise in the zoonotic and food-borne diseases globally. This unprecedented rise in the prevalence of animal diseases triggered the companies to produce advanced vaccines and pharmaceuticals. The high demand also resulted in subsequent increase in the number of companies undertaking consistent efforts to control pathogen contamination risks and food-borne diseases, which is contributing toward animal health market growth. In addition, rising number of government initiatives to promote veterinary products is presumed to drive the overall animal health market.

SeQuent, as a Company, has been striving hard to change the way animal health is perceived, by constantly attempting to bridge the gap between the demand for animal health products and its supply. Backed by strong R&D facilities and world-class manufacturing capability, your company has been catering successfully not only towards the production animal segment but also the ever-growing companion animal segment.

Let me take this opportunity to brief you on the decisions taken during this fiscal and how we believe these decisions will be a step towards creating value for all the stakeholders.

CORPORATE RESTRUCTURING

For the past few years, your Company has been a significant contributor towards the Human APIs while we also made an entry into the women's health segment through the acquisition of NAARI. Given our stated vision of a becoming a pure-play Animal Health company, the board decided to demerge our Human API business while divesting our stake in the Women's healthcare business. Once the statutory approvals are in place, we will go ahead with the demerger of our Human API section of the business, which will merge with the Human commodity API segment of Strides Shasun. The demerger and divestment will not only help your Company become a focused Animal API and formulations business, but will also free up substantial management time, which can be utilised towards the development and growth of the Animal care segment.

CONSOLIDATING FOOTHOLD IN EXISTING MARKETS:

During the fiscal, your Company not only gained a strong foothold in the Indian market, but also established itself as a top player in the overseas market. This has been achieved through a mix of organic and inorganic efforts. We have successfully integrated the operations of acquired entities in Brazil (Evance) and Spain & Mexico (Karizoo), which has enabled us to attract and cement our foothold in these markets. We also received the USFDA approval for the Vizag Plant thereby becoming the first USFDA compliant animal health plant in India. This indeed is a creditable achievement, which is a confirmation of the highest quality standards that your Company is committed to.

FOCUSING ON ALIVIRA AS A FOREMOST PRIORITY:

In the last three years, we have consolidated all the animal health initiatives under a single brand name - Alivira. During the current fiscal, Alivira has seen good traction with high revenue growth and a good visibility into the future opportunities. Alivira has established a sizeable presence in over 95 countries across the world with over ~475 products that it manufactures out of the six manufacturing locations. We are one of the top veterinary companies in Europe and also the 3rd largest animal health company in Turkey. We have also cemented our presence across EU by partnering with distributors while making an entry on our own in Brazil, South East Asia and the Middle East. This has ensured that Alivira has emerged as India's 1st pure-play animal health company with a global presence.

POSITIVE OUTLOOK OWING TO INCREASE IN PROFITABILITY:

Our journey started out as a small APIs and Formulations business and we are now a global Animal health player with presence across Europe, South America and Asia. I am elated to convey that during the last quarter in this fiscal, your Company has returned to profitability after a few sub-optimal financial periods. We believe that this is a direct impact of the strategic direction that we embarked upon a few years ago.

In the coming years, we are looking forward to build on the developments of this year and also strengthen our foothold in the international market. We are looking to fill the missing gaps in our global outreach by strategically entering markets uncharted by us. The Company currently has limited presence in the United States and Canada, two markets that are great contributors to the animal health care revenues. Plans are afoot to design and execute a strategy that would facilitate our entry into these markets. This would eventually help us in moving towards our vision of having a larger global presence and over time become the largest Animal Healthcare Company in the world.

Looking back, 2016-17 was a year, which was an inflexion point in our quest towards establishing ourselves as the first integrated Animal Health Company from India. It was also the year where the Company turned to black aided by our performance at the sales and EBITDA level and our overall approach to the market. With a stronger financial backing, we are now well-poised to enter the next orbit in realising our vision.

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

Regards
Manish Gupta

Q&A WITH THE CHIEF FINANCIAL OFFICER

Q. PLEASE BRIEFLY EXPLAIN THE FINANCIAL PERFORMANCE FOR THE FISCAL ENDED 2017?

Fiscal 2017 has been an exciting year for us. Our business grew 47% to report ₹ 9,151 million revenues versus ₹ 6,214 million in the previous year. The growth is largely a result of the integration of businesses, which we acquired over the last couple of years. While our API business continued its steady growth, the significant contribution to the growth has come from the finished dosages formulations wherein we reported over 113% growth.

Our expenses have been in line with the growth, and as the product mix is seeing a larger contribution from formulations, our EBITDA expansion was over 60% to ₹ 881 million from ₹ 552 million in FY16. This growth resulted in about 70 basis point improvement in the margins, however, affected by depreciation of the Turkish lira.

As we have indicated in the past, the Board of Directors have decided to divest the Human API and Women's healthcare businesses and therefore ensure an end-to-end focus on animal health care, which now demands more management time and has shown signs of profitability in the last quarter of fiscal 2017. Overall, from a continuing business standpoint, we reported a Net Profit of ₹ 11 million as against a Net loss of ₹ 180 million in FY16.

Our quarterly performance has also seen a consistent improvement, which has aided the return to black at the net profit level and are now looking forward to our next orbit of growth.

The Company has also started adopting Indian Accounting Standards ("IND AS") with respect to the financial results from this fiscal. The financial statements have been prepared in accordance with Indian Accounting Standards notified under Companies Act (Indian Accounting Standards) Rules, 2015.

Q. CAN YOU ALSO DESCRIBE THE PROGRESS ON INTEGRATION INITIATIVES BETWEEN MULTIPLE ENTITIES?

Last year, we integrated two transactions that we initiated in fiscal 2016. We now have brought all the systems in place to keep financial controls in order. We understand that the organisations are diversified by country as well as the culture; therefore, we have taken right measures to streamline the operations and finance integration. We have identified the integration team and established a structure and programme to institutionalise common goals, revenue generating synergies, bundling of commercial transactions and drive cost reduction synergies by eliminating redundant processes and policies. Some of the key initiatives taken are:

- Established reporting lines and an issues escalation process with adequate disclosure and control procedures to remain compliant with requirements
- Built an efficient and dynamic control programme to mitigate risk and ensure regulatory compliance.
- Systematic controls over accounts providing current year cash management and cash flow requirements are planned and adequately funded
- Designed the combined company cash forecasting and cash management processes to optimise global cash flow and requirements.
- Aligned treasury policies related to investments, foreign currency, and hedging.

Further, we have initiated the implementation of SAP ERP across the organisation to ensure financial systems and controls are well aligned. We have already gone live on SAP for India operations and planned to roll out to our global operations in this fiscal year.

Q. PLEASE SHARE YOUR THOUGHTS ON THE CORPORATE RESTRUCTURING ANNOUNCED BY SEQUENT RECENTLY?

We believe re-shaping our business portfolio can help us weigh on strategic opportunities and create value for our stakeholders. The Board's decision to restructure the business is a well-thought step to achieve our vision to become a leading integrated global animal health company world wide. As we have already embarked on this journey, the need for a pure-play focus has become inevitable. We believe, Alivira now needs access to resources, management bandwidth and capabilities to enter the next phase of growth. On the other side, the demerger of Human API business to a new entity will be value accretive for the stakeholders. The new proposed entity 'Solara Life Sciences Limited' which also gets the commodity API business of Strides Shasun Limited will achieve the critical size and scale to become one of the leading API companies from India. We believe, there is a tremendous opportunity for the API players to bring value to the formulators who find it risky to partner with companies that also have an interest in the finished dosage business. This new entity will also follow a differentiated strategy with highly compliant manufacturing facilities.

Overall, we hold that the decision will help bring about a new change in the business capabilities across each business and help us fast-track our vision to build a sustainable and robust business

Q. HOW WILL THE FINANCIAL POSITION LOOK AFTER THE ANNOUNCED RESTRUCTURE?

Our decision is well-aligned with the strategic priorities we foresee. While the immediate impact could mean a dip in the top line run rate for the consolidated business, but over the long term, our deployment and investment in core animal healthcare business would result in fruitful results with sustainable growth.

From a balance sheet perspective, we foresee some reduction in the overall leverage. However, we do anticipate more allocation of capital to the business so that the critical gaps in the animal health vertical gets filled. While we have a steady business in Europe, Latam and Asia, we may soon deploy our resources to foray into other regulated markets and strengthen our foothold in Asia.

As part of demerger, the assets of the API Human plants located at Mangalore, Mahad & Mysore shall be transferred to the new company alongwith the related working capital and debt.

Q. NOW THAT WE HAVE A STEADY BUSINESS IN MULTIPLE CURRENCIES AND TERRITORIES, HOW ARE YOU MANAGING THE RISK ACROSS THE ENTITIES?

Besides deploying an efficient currency management department, we continue to monitor foreign exchange movement at the top management level. A holistic approach covers our risks in exchange mostly related to translation and transaction. We understand that the primary impact of currency changes comes from structural risk and find a way in the statements and therefore our approach is more centric on the cash flows rather than the accounting risks.

Some key measures that we have taken to monitor our foreign currency cash flows:

1. Ensure that currency translation happens only at the consolidation level.
2. Maximise currency exchange to the local currency such that emerging market currency to dollar risk is mitigated.

Q. HOW ARE WE GOING TO FUND OUR FUTURE GROWTH?

A heartening feature of our performance has been the return to profitability. from last few quarters. While we are moving towards positive cash flow generation, we also intend to spend our resources on research and development. Our understanding is that the cash flows from operations will help us sustain business and growth from the current markets, however, for filling our strategic gaps, we might look at using the balance proceeds from QIP apart from using other modes of funds that we may find appropriate at the opportune time

Q. ARE WE TAKING ANY MEASURES TO OPTIMISE OUR FINANCIAL COSTS?

An advantage that we have in our business is Alivira's local presence in multiple geographies. For now, most of our debt has got funded from the Indian markets where the average cost of borrowing has been in the range of 10-12%. On one side, while our fiscal discipline and rating upgrade has led to a reduction in the interest rates, we continue to work towards leveraging our international presence and thereby reduce our overall cost of debt.

Regards
Tushar Mistry

Vision drives. Passion performs.

Decisive steps for value creation

In an ever-evolving regulatory landscape, we felt the need to carve out a standalone business for Human APIs. Besides, we realised that being a B2B business, it needs a differentiated strategic direction to grow and deliver value.

At SeQuent, our Human API range covers niche area of steroids and hormones with our existing portfolio spans across therapies like anti-malarial, anthelmintics, anti-infective, antiviral, CNS and dermatology. Our manufacturing facilities are capable of meeting the growing demand of key products in the US, EU and WHO regulated markets. We also forayed into the formulations business in the niche area of female healthcare via acquisition of Naari, which is currently an emerging markets business.

During 2016-17, we announced demerger of our Human API business into Solara Active Pharma Sciences Limitd (Solara). The commodity API business of Strides Shasun Limited is also proposed to be de-merged to Solara. The two businesses together will establish a new, stronger listed entity and build one of the largest standalone API companies in the country.

The new organisation will create value for its stakeholders with a differentiated strategy and highly compliant manufacturing facilities. The new API company will have a portfolio of DMF filings to start with. It will be complemented by five manufacturing sites (including three USFDA approved facilities) having key global regulatory approvals.

We also divested our Women Healthcare business (Naari). We have entered into definitive agreements with the buyer and the transaction is expected to close shortly.

We have taken these strategic corporate actions to enhance focus on Alivira (Integrated Animal Healthcare business).

Achievements of 2016-17

Successful

EDQM inspection at our facility in Mahad

Filings

7 CEPs, 3 USDMFs and 1 WHO

Human API business is well poised to bridge industry gap

Supply Chain

- Expanding size and scope to become one of the largest standalone API companies in India

Compliance

- Diversified manufacturing base to mitigate regulatory risks
- Staying ahead of the curve on GMP and EHS

Technology

- Focus on automated procedures around processes, quality systems and packaging
- Step up automation levels, ahead of the industry

Advanced APIs

- R&D focus on moving up the value chain and strengthening presence in high-entry barrier markets
- Foray into advanced next generation APIs

Partnerships

- Work on supply chain security with innovator and generic companies and evaluate profit-sharing alternatives

Human health facilities

Mangalore

Karnataka, India

- 123.5 KL reactor capacity with six clean rooms
- TGA-GMP certified, WHO pre-qualified, USFDA inspected

Mahad

Maharashtra, India

- 78.5 KL reactor capacity with two clean room
- EDQM approved and Cofepris Mexico certified

Mysore

Karnataka, India

- 67.3 KL reactor capacity with one clean room

Vision drives. Passion performs.

Committed to animal care

The global animal health industry is projected to grow at a steady pace of 7% between 2015 and 2020. We are putting our know-how and technology leadership to help improve animal health and well-being across the world.
We believe our commitment to quality and safety has helped us emerge as the largest animal health company from India, specialising in APIs and finished dosage formulation.

We have a best-in-class, scalable manufacturing and research infrastructure for both animal health formulations and active pharmaceutical ingredients (API). Our robust portfolio of diversified products addresses the needs of a multitude of species. Our therapeutic segments include feed supplements, antibiotics, anthelmintics, antibacterial, skincare (dermatology) products and disinfectants with more products on the anvil. We enjoy market leadership in segments like intra mammaries, spot-on and pour-on, among others.

Our commitment to quality and consistent timely delivery of products has made us a partner of choice for APIs in the global animal health market. Our customer-centric focus on supplying products and designing solutions is based on the understanding of markets and customer needs. Besides, our approach towards challenges has enabled us to create enduring partnerships and develop new products and drive volumes. Consistent innovation has allowed us to create a win-win proposition for our partners, empowering them grow their market share.

Top 10
Global animal health companies are our partners for veterinary APIs

20+
Markets with front-end operations - India, Europe, Turkey, South East Asia, Latin America, Africa and CIS*

1st
In global anthelmintic API with growing NSAID portfolio

~50%
Global veterinary market addressed

*CIS - Commonwealth of Independent States

Core strengths

50%

We have front-end field coverage in 50% of the Top 10 EU markets, supported by a distribution reach in 15+ EU countries

25+

Partner of choice for sales and marketing for more than 25 companies in Europe

30+

Comprehensive formulation R&D programme across multiple dosage forms and species

200+

Field force driving robust businesses with a pan-India coverage, promoting a comprehensive portfolio across cattle and poultry

Significant

Presence in key markets of Brazil and Mexico in Latin America

25+

Product registrations in Mexico promoted by a robust field team

Top 10

Among the Top 10 companies in Brazil with a portfolio of 25+ products and a reliable field force operating in poultry and swine

180+

Registrations in emerging markets, backed by a strong presence in Africa across 14+ countries; and front-end presence in Myanmar, the Philippines and Vietnam

1st

Indian dedicated animal health API facility to receive USFDA approval

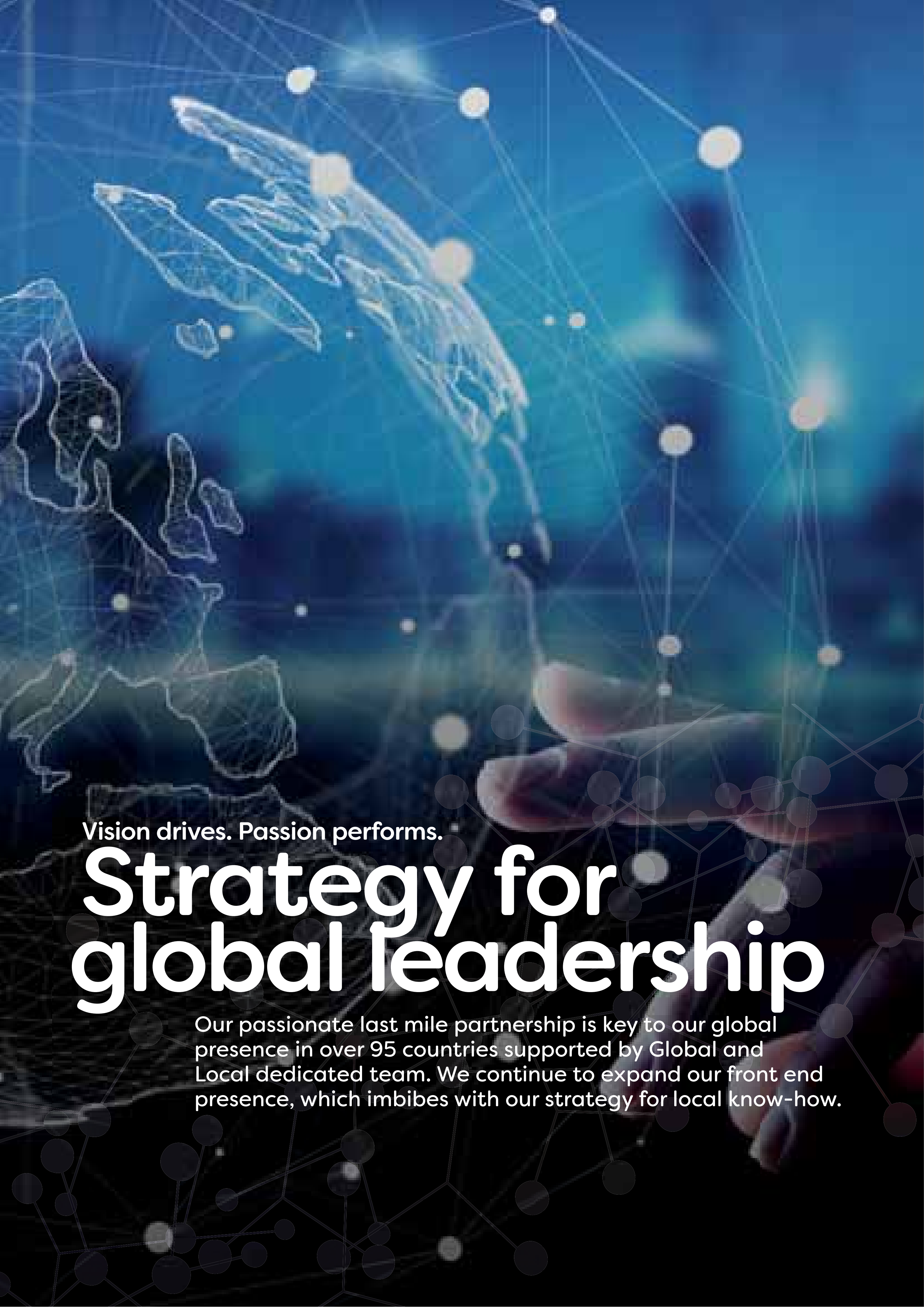
60%

Regulated market API business

Extensive

API product portfolio, covering therapy segments of NSAIDs, anthelmintics, anticoccidial, beta-agonist, feed additives and among others

Acquired companies	Core competencies	Market access
Karizoo, Spain	• Front-end presence with manufacturing and R&D base • 115+ registered products globally • In-house – antibiotics and nutritional • Distribution of all therapy, excluding vaccines • Livestock and companion	• 15 key European markets, including Spain, Germany, Austria, Cyprus, Denmark, France and Greece • Mexico
N-VET, Sweden **Fendigo, Belgium**	• Front-end presence and relationships in four key markets • Distribution of 250+ products • NSAIDs, anthelmintic, antibiotics, ecto and endo parasites • Livestock and companion	• Belgium, Luxembourg, Netherlands and Sweden
Evance, Brazil	• Front-end presence and manufacturing base • 23+ registered products • Antibiotics and antibacterial • Poultry and swine	• Brazil
Provet/Topkim, Turkey	• Front-end presence with manufacturing and R&D base • 120+ registered products • Antibiotics and vitamins • Cattle and sheep	• Turkey and emerging markets
Lyka, India (Business Acquired)	• Front-end presence • 120+ registered products • Feed additives • Cattle	• India business



Vision drives. Passion performs.

Strategy for global leadership

Our passionate last mile partnership is key to our global presence in over 95 countries supported by Global and Local dedicated team. We continue to expand our front end presence, which imbibes with our strategy for local know-how.

EUROPE

Opportunity

Top 10

European markets account for 80%

Strategy

- Consolidate our position in four of the top 10 countries (Spain, Netherlands, Belgium and Sweden) where we are present
- Establish Alivira front-end presence across all top 10 markets
- Expand distribution reach across all EU 29 countries
- Over 25 products under development

TURKEY

Opportunity

16th

Largest veterinary market in the world

Strategy

- Reinforce our position as the 3rd largest animal health company in Turkey (around 10% market share)
- Enhance presence in cattle and sheep segment
- Enter vaccine segment for cattle through strategic tie-ups
- Foray into the poultry market
- Add products for cultivated fish segment – currently around 2% sales
- Leverage cost synergies with combined operations of Topkim and Provet

LATIN AMERICA (LATAM)

Opportunity

2/3rd

Of the LATAM market comprises Brazil and Mexico

3rd

Largest market in the world is Brazil; also, the largest exporter

2nd

Largest LATAM market is Mexico

Strategy

- Enhance focus on poultry and swine segments in both Brazil and Mexico
- Add therapeutic products, nutritional additives and supplements
- Cross leverage group portfolio
- Leverage EU relationships through in-license products
- Expand into other LATAM markets

ROW (AFRICA, SOUTH EAST ASIA and the MIDDLE EAST)

Opportunity

Fastest

Growing human population and increasing protein needs

Strategy

- Establish front-end presence in Kenya, South Africa, Indonesia, Vietnam, Thailand, Saudi Arabia, Egypt and Morocco
- Commercialise products in Ukraine through our recent joint venture
- Target new markets like Zimbabwe, Tanzania, Ukraine, CIS, Oman, Qatar and Bahrain
- Focus on the development of innovative nutritional products, based on probiotics and enzymes backed by global trials

INDIA

Opportunity

Largest

Milk producer in the world

Strategy

- Focus on the development of innovative nutritional products, based on probiotics and enzymes, backed by global trials
- Entry into vaccines – tie-up with a leading EU company

Vision drives. Passion performs.

Sharper R&D focus

At SeQuent, we have been strengthening our R&D capabilities, both in the area of API and formulation. Our motivated team has been taking advantage of the integrated platform to consistently identify market opportunities and develop products in a defined timeline to cater to global markets.

Our formulation and API business are supported by 5 formulations and APIs global R&D center spread across India, Spain, Turkey and Brazil.Employing multi-disciplinary team of 125+ people who are working on more than 40 products for global markets across dosage forms and API's.

Mangalore based Department of Scientific Industrial Research (DSIR) facility accommodates 100+ scientists operating out of eight laboratories. Primarily focused on development and enhancing API product portfolio.

R&D centres are based out of India and Spain, which is handling the generic drug development for the regulated (EU, US, Australia, Canada) markets and our satellite development centres located in Turkey and Brazil cater to needs of respective markets. A lean and effective global team is working across dosage forms and therapies, including both drugs and medicated feed to create a world-class product portfolio catering to both companion and production animals.

Observing the future demands, we have already commenced work for the construction of a global R&D centre based in India, which will cater to future development needs.

Dosage Form	Spain	Turkey	India	Brazil
Oral				
Oral Solution	✔	✔		✔
Liquid for inhalation	✔			
Oral Suspension	✔	✔		
Water Soluble Powder	✔			✔
Drug Premix	✔			
Nutritional Feed Add.	✔			
Tablets			✔	
Paste			☑	
Injectable				
Inj. Solution		✔	✔	
Inj. Suspension		✔	✔	
Pre Filled Syringes		✔	☑	
Granules for Injection				
Gases				
Aerosols		✔		
Pour On / Spot On		✔	☑	
Disinfectants		✔	☑	

☑ *In Process*

Developing a sustainable pipeline

Product category	Animal Health	
	API	Formulation
Current portfolio	23	230
Pipeline	12	35
Total	**35**	**265**

Regulatory filings and approvals

Filed 2

CEPs and 6 US VMFs for key APIs

Received 20

product registrations in EU countries and 41 in emerging markets

Filed 52

products in emerging markets

PRODUCT PORTFOLIO

Our strong diversified product portfolio addresses the need of a multitude of species, across therapy classes and dosage forms.

Therapeutics

- Antibiotic
- Anthelmintic
- NSAIDs
- Anticoccidial
- Antiprotozoal
- Hormones
- Skin Care
- Anti Mycoplasma
- Anesthetics

Nutritional/ Feed Supplements

- Toxin Binders
- Vitamin Premixes
- Growth Promoters
- Acidifiers
- Liver Care Products
- Fat Emulsifiers
- Enzymes
- Synbiotics

Dosage Forms

- Injectable Solutions
- Injectable Suspension
- Pour On/Spot On
- Aerosols
- Granules
- Oral Solutions
- Oral Suspension
- Premixes
- Water-soluble powder
- Bolus and Tablets

Target Species

Dairy cattle	*Feed lot cattle*	*Goat, Sheep*	*Swine*
Poultry	*Equine*	*Dog*	*Cat*

GLOBAL MANAGEMENT TEAM

Front row names from left to right: Ashish Kakabalia, Shrikant Makode, Anders Krögerström, Manish Gupta, Hüseyin Aydin, Murat Mentes and Caio Salomão
Back row names from left to rights: Daniel Minin, Sumit Saxena, Marcelo Ziani, Bernard Bradfer, Faas van der Heijden, Mats Carlsson and Ramon Vila

SeQuent has benefited from a superior global leadership team - from our strong, active and independent board members to our experienced and globally-distributed senior management team.

Our Management team is comprised of visionary, experienced, and passionate leaders dedicated to the success of our customers, partners, employees, and the Company at-large. Their combined experience ranges across diverse industry, company-size, and business philosophy, providing the Company with strong direction and stewardship in every conceivable business scenario.

Further, given our worldwide operations and reach, we lay great emphasis on local leaders serving the global markets and this has served us very well in the past and will continue to do so.

BOARD OF DIRECTORS

Dr.Gopakumar G Nair

Chairman and Independent Director

Dr. Nair is the Chairman and Independent Director on the Board. He has over 40 years of experience and knowledge in pharmaceutical and chemical industry at different levels and positions like Director, Chairman and Managing Director, as well as past-President of Indian Drug Manufacturers' Association. Dr. Nair is familiarised with GATT, WTO, TRIPs and other IP laws. With a wealth of experience in the field, he started IP/ patent practice under the name Gopakumar Nair Associates.

Mr. Manish Gupta

Managing Director

Mr. Gupta joined the Company as Chief Executive Officer and was welcomed to the Board as Managing Director on November 12, 2014. He has over 22 years of experience in leading and managing business across the US, Europe and India to enhance performance. Before joining SeQuent Scientific, he was the CEO of Strides Arcolab Limited, where he spearheaded the pharma operations. Mr. Gupta has played a vital role in strengthening the Australasian generics (Ascent) business and injectable (Agila) business.

Mr. KEC Raja Kumar

Non-Executive Director

Mr. Kumar is the Founder and CEO of Ascent Capital Advisors, an India-focused private equity firm. He has over 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). Besides, he was an Executive Director of UTI Mutual Fund and he has also served as a Director of five Indian stock exchanges.

Mr. Sharat Narasapur

Joint Managing Director

Mr. Narasapur has over 28 years of experience in chemical, agrochemical and pharmaceutical industry in various roles, starting from design and development to managing business operations. He has vast knowledge in techno-commercial operations involving management of large multi-location chemical/API manufacturing operations and global project/programme management. Mr. Narasapur has worked with companies like Dr Reddy's, Gharda Chemicals and so on.

Dr. Kausalya Santhanam

Independent Director

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

Mr. Narendra Mairpady

Independent Director

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

Dr. S Devendra Kumar

Non-Executive Director

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

MANAGEMENT DISCUSSION AND ANALYSIS

THE ANIMAL HEALTH SPACE

The global animal health market, currently valued at USD 35 billion, is expected to grow at a CAGR of 7% from 2016 and reach over USD 45 billion by the year 2024. The Industry has been growing at an unprecedented pace for the last decade and is expected to be one of the fastest growing segments in the coming years. The increasing bond between humans and animals and dependence on livestock animals as an important source of maintaining food security has been the primary growth driver for the animal healthcare sector. The sector can be broadly classified into companion and production animal segments. Around ~60% of the veterinary industry is constituted by the production animal segment, where the balance comes from the companion animal sector. The Parasiticides, Biologicals and MFAs dominate the market with a combined revenue share over 60%. Geographically, North America and Europe account for 65% of the market; however, over the last couple of years, there has been a steady increase in the share of revenues from markets like Latin America, Far East and Africa.

The substantial rise in zoonotic and foodborne diseases has acted as a growth catalyst for the animal healthcare industry, and increasingly pharmaceutical firms are now getting involved in developing therapeutics for both companion pets and production animals. The global demand for production animals is witnessing traction as the users are getting more dependent on production animals which not only help in agricultural activities but also in meat production, dairy, eggs and milk. In developing countries like India, livestock farming for poultry, dairy and meat make a significant contribution to the national economy. India has 10.7% of the world's livestock population with more than half of the animal population contributing towards the dairy sector. The veterinary market in India is gaining more importance as more people are adopting pets such as cats or dogs for psychological and therapeutic benefits. As a result, there has been a remarkable growth in animal health care for companion animals in India; however, the share of that market is still a fraction of that of a production animal.

~US$35bn

The Global animal health market, currently valued at USD 35 billion, is expected to grow at a CAGR of 7%.

The other factor that has had an impact on this industry is the increase is meat consumption. This has contributed to a considerable growth in the meat-production segment as well which has brought with it associated challenges like swine flu and avian flu which are transmitted to humans from infected meats. This has ensured that animal healthcare has been accorded highest priority by the meat production industry. As the industry grows and matures, there has been a steady influx of pharmaceutical companies entering the animal health space. The entry of new players as well as consolidation by existing companies has led to the adoption of innovative technologies and new approaches and this is expected to propel the animal health industry to new heights.

SeQuent Scientific, through its animal health business Alivira, has brought about a new foothold in the way animal healthcare is perceived today. We are by far the largest animal healthcare company from India, and we are on track towards building Alivira as a global Animal healthcare pharmaceutical brand. The initial seeds of this transformational journey into a pure play animal health company were sown last year when we announced our intention to de-merge our Human APIs business by divesting our stake in the women's health business. This move was aimed to position SeQuent as a pure-play Animal Health Company. The primary thrust of the firm now remains in the production animal sector, and one of the aims is to provide formulated, high-quality animal healthcare products and help alleviate the challenges faced by the animal farming and care sector. Our primary focus is on improving farm efficiency and productivity by providing innovative solutions to veterinarians thereby helping combat global animal health challenges.

PRESENCE IN KEY MARKETS AND GROWTH DRIVERS

Alivira has a sizable presence in over 95+ countries world over. It has over 475+products (formulations & APIs) that it manufactures out of 6 manufacturing locations. Some of the key markets and opportunities that we foresee in each of the markets are detailed in the map

Europe

Market Statistics	Our Presence	Growth Strategy
■ Total EU market ~$8 bn in sales growing annually @ ~6% ■ Top 10 markets accounts 80% ■ Fragmented market with multiple local & regional players	■ Present in 4 of the top 10 countries (ES, NL, BE, SE) ■ Front end team of 35+ ■ Presence in 15 other EU markets through distributors ■ 95+ product registrations ■ Last mile channel partner for 27 EU companies ■ Manufacturing & R&D base at Barcelona	■ Establish Alivira front end presence across all top 10 markets ■ Expand distribution reach across all EU 29 countries ■ 25+ products under development ■ Strengthen last mile partnerships ■ Addition of nutritional additives & supplements

80%

Europe's Top 10 markets accounts 80%

4 countries

Present in 4 of the top 10 countries in Europe with EU GMP facility

Turkey

Market Statistics	Our Presence	Growth Strategy
■ 16th largest veterinary market in the world ■ $400 mn animal health market, growing at 8%+ ■ Amongst the 'Top 10' ruminant market globally, focus area of Alivira ■ 9th largest milk producing nation ■ Top 3 in cultivated fish production in the world, growing @ 10% ■ Key poultry market ■ New GMP regulations effective 1st November 2015 aligning Turkey to EU regime	■ 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	■ Enhanced presence in cattle & sheep segment ■ Strategic tie-up for entry into vaccine segment for cattle ■ Foray into poultry market ■ Addition of the products for cultivated fish segment –currently ~2% sales ■ Leverage cost synergies with combined operations of Topkim & Provet

16th

Turkey is the 16th largest veterinary market in the world

3rd

Largest Animal Health Company in Turkey with Injectable facility

Latin America (LATAM)

Market Statistics

LATAM

- Market size : ~$4 bn
- Brazil & Mexico accounts for 2/3rd of the market

Brazil

- 3rd largest market in the world, largest exporter
- Market size : ~$2.3 bn growing @ 10.5%
- Meat production global ranking:
  - Cattle - No 1
  - Poultry - No 3
  - Swine - No 4

Mexico

- 2nd largest Latam market: ~ $425 mn

Our Presence

Brazil

- Focus on poultry & swine segments
- Portfolio of 25+ registered products
- Field force of 20+
- GMP manufacturing facility approved by MAPA

Mexico

- Focus on poultry & swine segment
- Portfolio of 28+ registered products
- Field force of 7+

Growth Strategy

- Addition of therapeutic products, nutritional additives & supplements
- Cross leverage of group portfolio
- In-license products leveraging EU relationships
- Expand into other LATAM markets

70%

Brazil and Mexico accounts 70% of LATAM

30+

Field force with MAPA approved facility

Ukraine

Market Statistics

- 9th largest egg producing market in the world
- Largest Egg and Poultry market in Europe
- Market growing at a rate of 8% on account of expanding exports to European Union, Middle East, and Asia

Our Presence

- Market entry in October 2016.
- Received 3 product registrations in July.
- 6 product registrations in the pipeline.

Growth Strategy

- 6 product under registrations
- Animal nutrition and feed additive focus to drive growth in future
- Front end presence to improve market penetration

9th

Largest egg producing market in the world

3 registrations

Received 3 product registrations and 6 under registrations

ROW (Africa, South East Asia & Middle East)

Market Statistics

- Market size ~$3 bn
- Fastest growing human population, increasing protein needs

Africa and Middle East

- ~1.3 bn market in 60+ countries
- Africa: 80% market is cattle & poultry
- Middle East 90% market is cattle & poultry
- Local integrator market
- Strong feed manufacturing

South East Asia

- ~1.7 bn market in 7+ countries
- 80% market is swine & poultry
- Global hub for feed Manufacturing

Our Presence

Africa

- 14 countries including key markets of Uganda, Kenya, Egypt & Nigeria
- Front end - Nigeria & West Africa
- 85+ approved products

Middle East

- 8 countries including key markets of Philippines, Thailand, Indonesia, Vietnam
- Front end - Philippines & Vietnam
- 65+ approved products

South East Asia

- 7 countries with key markets of Saudi Arabia, Egypt, Algeria & Iran
- 25 registrations

Growth Strategy

- Establish front end presence in Kenya, South Africa, Indonesia, Vietnam, Thailand, Saudi, Egypt, & Morocco
- Target new markets : Zimbabwe, Tanzania, Ukraine, CIS, Oman, Qatar, Bahrain
- Focus on development of innovative nutritional products based on probiotics & enzymes backed by global trials

~3bn

Market with fastest growing human population

175+

Product registrations across with Front end in 4 key markets

India

Market Statistics

- Estimated market of $1Bn in 2017 growing ~@10%
- Vast resource of livestock & poultry-
  - ~300Mn bovines,
  - ~65Mn sheep,
  - ~135Mn goats and
  - ~10.3Mn pigs
- Largest producer of milk in world- 150+ MMT with annual growth of 6.27%
- Poultry - growing
  - 3rd largest egg producer – 3.8Bn kgs
  - 4th in Meat production – 7.4 MMT in 2016 growing ~9%

Our Presence

- 5th year of operation
- Portfolio built around innovative in-licensed international products
- Cattle business consolidation through
  - Pruning of low volume products – current 35+ products
  - Focus key territories -100+
- Established player in poultry
  - Expanded to key accounts in Bangladesh & Nepal
  - Strengthen team in North region
- 10 brands with ₹ 20+ mn
- 200+ field force

Growth Strategy

- Cattle
  - HQs potential maximisation
  - Focus on selected product range to strengthen futuristic therapy segments
- Poultry
  - Strengthen & expansion of management team & field force in South and West India
  - Cross leverage global portfolio
- Entry into vaccines – tie up with IDT Biologika, Germany a leading EU company

95%

Contributed by production animals

200+

Field force dedicated to production animals with multi regulatory approved facility

BUSINESS PERFORMANCE IN REVIEW

Fiscal 2017 has been an exciting year for your Company from a strategic perspective. The strategic initiatives has included new product launches, establishing state of the art manufacturing facilities, building a world-class research environment and increasing our pipeline of molecules. Alivira also achieved the unique distinction of becoming the first US FDA approved dedicated animal health facility in India. With the focus on positioning SeQuent solely as a animal health and API business, the Human APIs and NAARI - the women's hormone segment were demerged during the current fiscal.

From a financial performance standpoint, we recorded a top line of ₹ 9,151mn, which is a 47% gain over the previous year. The heartening feature of this growth is that the Company returned to back at the net profit level in the last quarter of the fiscal under consideration. The company successfully integrated the operations of its acquisitions into the business. We believe that the strategic measures undertaken as well as the exit run rates as we enter the new fiscal sets the Company up for the next orbit of growth. Also towards establishing Alivira (our animal health business) as a Global Integrated Animal Health company from India.

A brief on each vertical is discussed below:

Animal health API

With over 23 commercial products in Animal Health APIs across the globe and predominantly in Anthelmintic, we offer a broad range of products and essential therapies such as antibiotics, Beta agonists, NSAID, feed additives and Anti protozoal. During the year, the animal health API business which contributes 17% to the revenues witnessed an upward trend. We also successfully filed 2 CEPs and 6 US VMFs for the major APIs. Our Vishakhapatnam (Vizag) facility received USFDA approval (May 2017) making it the first dedicated USFDA approved Animal health API facility in India. This facility will enable us to expand our reach and build a global animal health business out of India as we further consolidate our relationship with the top 10 animal health companies. Moving forward, we intend to consistently deliver products on time and continue our standing as a credible and reliable global supplier of animal APIs.

Animal health formulations

Alivira animal health is India's 1st global integrated animal health company specializing in finished dosage formulations. Our animal health formulations business has developed a strong portfolio of diversified products that address the needs of different species. Today, we have a significant presence across the globe, with fourstate-of-the-art manufacturing facilities in India, Turkey, Spain and Brazil. Our therapeutic segments include antibiotics, anticoccidials, anthelmintics, antiprotozoals, NSAIDS, probiotics, feed supplements, skincare (dermatology) products and disinfectants with more products on the anvil.

The formulations segment has been shaping up well and now accounts of 52% revenues of SeQuent with products sold across 55 countries. During the year, we successfully integrated the operations of the acquired businesses in Brazil (Evance) and Spain & Mexico (Karizoo). Our exceptional experience in the poultry, dairy and cattle segment has helped us become one of the leading players in India, South East Asia, MENA and Turkey. We also initiated our foray into vaccines by tying up with IDT Biologika for marketing vaccines in India.

During the year, we initiated five global R&D projects. Our centres based in Mumbai (India) and Barcelona (Spain) cater to the US, EU and other regulated markets while our Satellite Development centres located in Istanbul (Turkey) and Sao Paulo (Brazil) provide development support to their respective local regions. We recently entered Ukraine and initiated product trials under the JV. In past year, we received 20 product registrations in the EU& 41 in emerging markets and had also filed 52 products in emerging markets. We also received 3 product registration approvals in Ukraine (July 2017).

Alivira today has a presence in over 55 countries with four manufacturing facilities and 4 R&D centres. With more than 450 products across 12 dosage forms, Alivira has propelled itself as a forerunner in the Animal formulations business. As we progress, Alivira's primary focus is to embark upon the path to become one the world's leading Animal Health Company, delivering value to our customer and stakeholders.

Human APIs

Our Human API business solely focuses on niche, difficult to make APIs. Our strong research foundation and technologically advanced infrastructure have helped us in achieving our targets to manufacture high-quality API products. During the year, we completed the EDQM inspection at our facility in Mahad and received the CEP approval for Mesna. We also made 7 CEP filings, 3 USDMF filings and 1 WHO filling during the fiscal. The Human API business contributed 30% to the overall revenues.

However, with the ever-evolving regulatory landscape, as the risk of concentration of business from few approved plants becomes a threat, the Board of Directors of the Company decided to divest the Human API business to a new entity 'Solara Active Pharma Sciences Limited (Solara), which will be listed in the Stock Exchanges. As part of the approved scheme of de-merger, the Commodity API business of Strides Shasun will also be de-merged to Solara. We expect the combined API business under Solara will create one of the largest standalone API companies in the country with critical size. This new entity will follow a differentiated strategy with highly compliant manufacturing facilities. We believe that this divestment will help bring about a new change in the business capabilities along with our continued focus on customer satisfaction, quality and reliability.

BUSINESS RESOURCES

R&D

Our in-house API research capabilities span with a DSIR recognized R&D centre based out of Mangalore. The facility has 8 labs, 80 fume hoods and over 100 scientists. Our research and development team has expertise in heterocyclic, chiral, enzymatic chemistry and amongst others in conjunction with cost efficiencies & IP complaint. We will be commissioning a pilot scale plant for faster product development. Going forward we look to yield benefits from our pipeline of 12 products in animal health APIs, and over 16 human health APIs.

Our Global Formulation R&D program comes to life with expansions and partnerships across the globe. Besides the API R&D centre in Mangalore, our formulations R&D centres based in Mumbai & Barcelona cater to EU, the US and other regulated markets while our Satellite Developments centres located in Istanbul(Turkey) and Sau Paulo(Brazil) provide development support to their respective local regions.

A lean and effective global team works across dosage forms and therapies including both medicinal feed & drugs to cater both companion and production animal segments. We work across therapies; NSAID's, Antibiotics, Anthelmintics, Vitamins, Prostaglandins, Hormonals etc. in dosage forms; Oral Solution, suspensions, Paste, WSP, Premix, Tablets, Injectable Solutions & Suspensions are in pipeline.

We also commenced work for the construction of a Global R&D center based in India, which will cater to future development, needs globally.

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 throughout product lifecycle. 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 USFDA, EDQM, SLA, CDSCO, WHO, EUGMP, TGA, Turkish GMP, CEP, Health Canada, MAPA, NDA (Uganda) and amongst others.

IPR

From a regulatory perspective, we are fully geared to address 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 & formulations across the globe. In the animal health segment, we filed 3 DMFs in addition to EDMF for eight of our APIs. We also made CEP filing for four of our APIs. As on date, we also have 19 DMFs in the human health segment. In the finished dosage formulations, we have 21 product registrations and 41 across emerging market with recent 3 product approvals in Ukraine.

Employees

We believe the Human Resource is the core of our organization driving towards strategic goal. Our people strength as on March 31, 2017 stood at 1595 employees which includes 286 overseas employees. The year has been transformatory for us as we leaped towards digitized HR services and strengthening our presence on the Social media. Launch of a Corporate Induction mechanism to align our new / fresh resource towards organization vision, giving us a competing edge to move ahead of the curve. A framework has been evolved and put into place to develop Behavioral Competency allowing us to measure and improve our capability as an organization.

As we continue to drive business growth we never let organizational philosophy and culture out of our sight. We put in place some new initiatives which addressed some of the key feedback that came from our Employee Satisfaction Survey that was conducted across the organization.

Few of the strategic initiatives of FY 16-17 are:

- Implementation of HRIS to provide single platform for meeting our people needs
- Connecting prospects through Employer Branding
- Articulation of link between individual jobs and organizational goals through Balance Score Card
- Infusing new blood in the organization by hiring Management Trainee under project "Udaan – wings for success"
- Three level training evaluation of middle management team at our strategic sites
- Fun filled activities to charge up our people that includes monsoon trekking and women's day celebration

EHS

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

To strengthen and ensure safety the following activities weret taken up:

- We consider safety as a priority and have constructed a well defined EHS policy, hence we strive to ensure establishment of Safe working conditions in all areas and to provide adequate protection to our employees, Visitors and Stakeholders.
- Walkthrough Survey: Line Management performs walkthrough survey at Work Place and observes for any unsafe acts and interacts with them to instill a sense of ownership to build a positive safety culture.
- Conducted Fire Drills and Mocks Drills to create awareness on Emergency Preparedness
- Conducted trainings to all employees on Safety in order to safeguard them from any injuries and accidents. Safety training programs conducted for employees are also extended to contractual employees.

CONSOLIDATED BALANCE SHEET

The following is the abstract of balance sheet for FY17 and FY16

Particulars (In ₹ mn)	FY17	FY16	Movement
NON-CURRENT ASSETS			
Property, plant and equipment	3,995.3	4,075.3	-80.0
Capital work-in-progress	15.9	217.5	-201.6
Goodwill	2,242.4	1,297.9	944.5
Other intangible assets	605.6	491.7	113.9
Intangible assets under development	309.5	17.7	291.8
Financial assets			
(i) Investments	3,639.7	3,605.8	33.9
(ii) Loans	4.5	5.0	-0.5
(iii) Other financial assets	54.5	45.9	8.6
Deferred tax assets(Net)	211.2	51.2	160.0
Other non-current assets	690.1	567.4	122.7
	11,768.7	**10,375.4**	**1,393.3**
Current assets			
Inventories	1,608.1	1,350.8	257.3
Financial assets			
(i) Investments	641.2	669.8	-28.6
(ii) Trade receivables	2,546.2	1,923.9	622.3
(iii) Cash and cash equivalents	435.2	200.3	234.9
(iv) Bank balances other than (iii) above	38.8	52.7	-13.9
(v) Loans	23.4	10.8	12.6
(vi) Other financial assets	91.0	51.5	39.5
Other current assets	560.2	501.8	58.4
Asset classified as held for sale	1,333.3	144.0	1,189.3
	7,277.4	**4,905.6**	**2,371.8**
TOTAL ASSETS	**19,046.1**	**15,281.0**	**3,765.1**

Particulars (In ₹ mn)	FY17	FY16	Movement
Equity			
Equity share capital	487.5	476.5	11.0
Other equity	9,280.4	8,980.6	299.8
Equity attributable to owners of the Company	**9,767.9**	**9,457.1**	**310.8**
Non- controlling Interest	172.2	22.2	150.0
	9,940.1	**9,479.3**	**460.8**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,651.4	2,113.2	-461.8
(ii) Other financial liabilities	546.2	590.9	-44.7
Provisions	145.0	136.0	9.0
Deferred Tax Liabilities(Net)	88.9	53.3	35.6
Other non current liabilities	39.0	4.5	34.5
	2,470.5	**2,897.9**	**-427.4**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,947.0	560.4	1,386.6
(ii) Trade payables	2,030.4	1,439.4	591.0
(iii) Other financial liabilities	1,032.8	682.8	350.0
Provisions	13.5	18.1	-4.6
Current tax liabilities (Net)	51.9	53.6	-1.7
Other current liabilities	377.6	149.5	228.1
Liabilities directly associated with assets classified as held for sale	1,182.3	-	1,182.3
	6,635.5	**2,903.8**	**3,731.7**
TOTAL LIABILITIES	**9,106.0**	**5,801.7**	**3,304.3**
TOTAL EQUITY AND LIABILITIES	**19,046.1**	**15,281.0**	**3,765.1**

NON-CURRENT ASSETS

Property, Plants and Equipment

The decrease in fixed assets from ₹ 4075.3Mn in FY16 to ₹ 3995.3Mn in FY17 is resultant from classification of assets of discontinued operation as held of sale despite increase in fixed asset due to acquisition of new businesses

Goodwill

The increase in goodwill from ₹ 1297.9Mn in FY16 to ₹ 2242.4Mn in FY17 is a resultant of new businesses which have been acquired during the year.

Other Intangible Assets

The increase in Other intangible assets from ₹ 491.7mn in FY16 to ₹ 605.6 mn in FY 17 is a resultant of new businesses which have been acquired during the year.

Intangible Asset under Development

The increase in Intangible assets under development from ₹ 17.7 mn in FY16 to ₹ 309.5 mn in FY 17 is a resultant of SAP implementation.

DEFERRED TAX ASSETS

The increase in Deferred Tax assets from ₹ 51.2 mn in FY16 to ₹ 211.2 mn in FY 17 is a resultant of new businesses which have been acquired during the year.

NON-CURRENT INVESTMENTS

The non-current investments have increased from ₹ 3605.8 mn in FY16 to ₹ 3,639.7 mn in FY17. This increase is on account of fair valuation of investments in Strides Shasun Limited.

SHAREHOLDERS' FUNDS

The Company's share capital increased from ₹ 476.5 mn in FY16 to ₹ 487.5 mn in FY17. This increase of ₹ 11.0 factors the conversion of 5,500,000 warrants issued during the year 2016-17 on preferential basis at a conversion price of ₹ 95 per equity share of the company as approved at the Extra Ordinary General Meeting dated 31 March 2015.

OTHER EQUITY

The other equity has increased from ₹ 8980.6 mn in FY16 to ₹ 9280.4 mn in FY17. This change is mainly on account of receipt of a premium on Conversion of warrants during the year.

MINORITY INTEREST

The minority interest has increased from ₹ 22.2 mn in FY16 to ₹ 172.2 mn in FY17. The increase in the minority is a resultant of new businesses which have been acquired during the year.

NON-CURRENT LIABILITIES

Long Term Borrowings

The long-term borrowings have reduced from ₹ 2113.20 mn in FY16 to ₹ 1651.40 mn in FY17 on account of repayment to banks as per schedule.

Long Term Provisions

The long-term provisions have increased on account of increased provisions on employee benefits (gratuity, compensated absences and termination). The long-term provisions stand at ₹ 145.0 mn as on 31st March 2017 as against 136.0 mn in the previous year.

Other Non-Current Financial Liabilities

The other non-current financial liabilities have reduced from ₹ 590.9 mn in FY16 to ₹ 546.2 mn in FY17 on account of decrease in put option liability due to the time value of money.

CURRENT LIABILITIES

Trade Payables

The Increase in trade payables from ₹ 1439.4 mn in FY16 to ₹ 2030.40 mn in FY17 is in line with the expanded business scale.

Other Current Financial Liabilities

The other current liabilities have increased from ₹ 682.8 in FY16 to ₹ 1032.8 mn in FY17 mainly because of advance received from Tenshi Life Science Private Limited against the definitive agreement for sale of subsidiary Naari Pharma Private Limited.

Other Current Liabilities

The increase in other current liabilities from ₹ 149.5Mn in FY16 to ₹ 377.60Mn in FY17 is a resultant of new businesses which have been acquired during the year.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Following is the abstract from the consolidated profit and loss account for FY17 and FY16:

Particulars (In ₹ mn)	FY17	FY16	% change
Revenue from operations	9,150.8	6,214.1	47%
Other income	110.8	132.9	-17%
Total Income	**9,261.6**	**6,347.0**	**46%**
Expenses			
Cost of materials consumed	3,901.4	1,996.0	95%
Purchases of stock-in-trade	724.4	934.7	-22%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-188.6	67.6	-379%
Excise Duty on sale of goods	154.4	152.0	2%
Employee benefits expense	1,305.5	866.7	51%
Finance costs	362.8	381.5	-5%
Depreciation and amortization expense	623.0	457.2	36%
Other expenses	2,372.3	1,645.3	44%
Total expenses	**9,255.2**	**6,501.0**	**42%**
Profit/(Loss) before tax	6.4	-154.0	-104%
Tax expense	-4.1	25.7	-116%
Profit/(Loss) from continuing operation after tax	10.5	-179.7	-106%
Profit/(Loss) from discontinued operation	-174.4	16.3	-1170%
Tax expense of discontinued operation	-	0.5	-100%
Profit/(Loss) from discontinued operation after tax	-174.4	15.8	-1204%
Profit/(Loss) for the year	**-163.9**	**-163.9**	**0%**
Other comprehensive income	-43.2	1,626.8	-103%
Total other comprehensive income	**-207.1**	**1,462.9**	**-114%**
Total comprehensive income for the year attributable to:			
- Owners of the company	-168.1	1,441.9	-112%
- Non-controlling interests	-39.0	21.1	-285%
	-207.1	**1,463.0**	**-114%**

OPERATING REVENUE
The sales increased from ₹ 6214.1 mn in FY16 to ₹ 9,150.8 mn in FY17. This increase is commensurate with integration of new businesses in Animal Health formulation space.

COST OF MATERIALS CONSUMED
The cost of material consumed, as a percentage to net sales remained the same

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

- 25% increase is on account of integration of new businesses
- Average annual salary increases of 10%
- Proportionate increase in staff welfare expenses

FINANCE COSTS
Commensurate with the reduced borrowings, the finance cost has come down from ₹ 381.5 mn in FY16 to ₹ 362.8 mn in FY17.

DEPRECIATION AND AMORTIZATION EXPENSES
The increase in Depreciation and amortization expenses from ₹ 457.2Mn to ₹ 623.0Mn is a resultant of new businesses which have been acquired during the year

RISKS, THREATS AND CONCERNS
We operate in a highly regulated industry, and our operations are subject to extensive regulation in each market in which we do business. All aspects of our business, including our research and development activities, manufacturing operations and sales and marketing activities, are subject to extensive legislation and regulation by various local, regional, national and overseas regulatory regimes.

Our business is also subject to, among other things, the receipt of all required licenses, permits and authorisations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. We are also subject to the laws and regulations governing relationships with employees such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. If we fail to comply with the applicable laws and regulations, we may be subject to penalties, including the revocation or suspension of our licenses and approvals and criminal sanctions.

Our business is substantially dependent on exports. Regulatory authorities in many of these markets in which we market and sell our products such as United States, European Union, Canada, Australia must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business licenses and approvals and imposition of fines and criminal sanctions in those jurisdictions.

INTERNAL CONTROL SYSTEMS AND ADEQUACY
The Company is responsible for establishing and maintaining adequate and efficient internal financial controls and the preparation and presentation of the financial statements, in particular, the assertions on the internal financial controls per broader criteria established by the Company.

A robust, comprehensive internal control system is a prerequisite for an organization to function ethically and in commensuration with its abilities and objectives. We have established a reliable internal monitoring system for your company and its subsidiaries. This control system aims 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 staffs experienced and qualified people who play a significant 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 which comprises of independent director's review relevant 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,

Your Directors are pleased to present the Thirty second Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

1. FINANCIAL SUMMARY

The Financial Performance of the Company (Standalone) for the Financial Year ended March 31, 2017 is given below:

(₹ in million)

Particulars	2016-17	2015-16
Total revenue	3,922.13	4,086.71
Other income	200.94	155.53
Profit/ (loss) before interest and depreciation tax	335.16	510.78
Less : Interest	83.60	164.42
Less : Depreciation and amortisation expenses	251.68	241.80
Profit/(loss) before tax	(0.12)	104.56
Tax Expenses - Current tax	-	-
- Deferred tax	-	0.69
Profit/(loss) after tax	(0.12)	103.87

2. BUSINESS PERFORMANCE REVIEW

During the financial year 2016-17, on a standalone basis, your Company's revenues stood at ₹ 3922.13 Million as against ₹ 4086.71 Million in 2015-16. The Company posted an EBITDA of ₹ 134.22 Million in the year as against ₹ 355.25 Million in 2015-16. The Company made a net loss of ₹ 0.12 Million.

On a consolidated basis, your Company's revenue for the year 2016-17 stood at ₹ 9150.81 Million as against ₹ 6214.10 Million in 2015-16. The Company posted an EBITDA of ₹ 881.35 Million for the year 2016-17 as against ₹ 551.77 Million in 2015-16. On a consolidated level, the Company made a loss of ₹ 163.87 Million.

Business Overview

1. Human API

- Successful EDQM inspection at our facility in Mahad
- Filings - 7 CEPs, 3 USDMFs, 1 WHO

2. Animal Health

- Vizag facility becomes India's 1st USFDA approved Animal Health API facility
- Forayed into vaccines with IDT Biologika, Germany for marketing vaccines in India
- Successfully integrated operations of acquired businesses in Brazil (Evance), Spain & Mexico (Karizoo)
- Transitioned business in Turkey to new GMP regime
- Forayed into Ukraine and initiated product trials
- Expanded to 5 new countries taking the total footprint to 95+ countries
- Launched 3 new formulations in Europe & 28 products across other key markets

2.1 R&D

- Initiation of global formulations R & D program in animal health business,5 projects across Spain and India
- Filed 2 CEPs and 6 US VMFs for key APIs
- Received 20 product registrations in EU countries & 41 in emerging markets
- Filed 52 products in emerging market

CORPORATE ACTIONS

The Board of Directors at their Meeting held on February 3, 2017 had approved in-principle demerger of Human API Business and divesting Women Healthcare business to focus on Alivira (Integrated Animal Healthcare business) for disproportionate value creation.

Having reviewed the strategic success in building Alivira as India's largest veterinary company with annual run-rate revenues of US $ 120 million (~₹ 800 crores) along with future opportunities therein, the Board felt that the Management of SeQuent should focus on animal healthcare and free up management time and capital from the other two businesses.

De-Merger of Human API business:

- SeQuent's Human API business primarily driven out of its Mangalore, Mahad and Mysore facilities contribute ~ 27% of the top-line on a consolidated basis.
- While the differentiated business model of focusing on old, small volume molecules make the business highly profitable, with annualised revenue of ~₹ 300 crores, the business is sub-scale. Also, being a B2B business, it needs a differentiated strategic direction to grow and deliver value.
- Further, the ever-evolving regulatory landscape exposes its business from concentration risk at one USFDA approved plant
- The Board felt the need for Management to focus on scaling up Alivira business and to this direction, it was decided to divest the Human API business which though profitable, will require significant CapEx to build scale and exigencies.
- As part of the Scheme of Arrangement, the commodity API business of Strides Shasun Limited, a promoter group Company, is also proposed to be carved out into Solara Active Pharma Sciences Limited, (SAPS) thereby providing critical size to this business.
- This combination will catapult SAPS to be one of the largest standalone API companies in the country supplying commodity and niche APIs globally. The business will create value for its stakeholders with its differentiated strategy and highly compliant manufacturing facilities.
- The Newly formed API Company will have five manufacturing sites having key global regulatory approvals.

On March 20, 2017, based on the recommendation of the Audit Committee, the Board of Directors approved a Composite Scheme of Arrangement to be entered into between the Company, Strides Shasun Limited ('Strides') and Solara Active Pharma Sciiences Limited (SAPS) and their respective shareholders and Creditors (the 'Scheme') under Sections 230-232 of the Companies Act, 2013 for the purposes of effecting the said demerger. The Board of Directors also approved the share entitlement ratio of one equity shares of ₹ 10/- each of SSL for every 25 equity shares of ₹ 2/- each held by them in SeQuent. S.R. Batliboi & Co. and Pricewaterhouse & Co. LLP provided a joint valuation report on the share entitlement ratio, while Key Note Corporate Services Limited provided the fairness opinion in relation to the aforesaid share entitlement ratio.

The salient features of the Scheme are:

a) The equity shares of SAPS will be listed in the BSE Limited and the National Stock Exchange of India Limited.

b) Every shareholder of Strides will get one equity shares of ₹ 10/- each of SAPS for every six equity shares of ₹ 10/- each held by them in Strides.

c) Every shareholder of the Company will get one equity shares of ₹ 10/- each of SAPS for every 25 equity shares of ₹ 2/- each held by them in the Company.

d) The appointed date for the Demerger will be October 1, 2017

e) Based on the recommended Share Entitlement Ratio, Strides shareholders and SeQuent shareholders will hold 60% and 40% respectively of SAPS

f) The Scheme is subject to statutory approvals including from the shareholders and creditors of the Company, Strides and SAPS, Stock Exchanges where the shares of Strides and SeQuent are listed, the Securities and Exchange Board of India, National Company Law Tribunal and the Competition Commission of India.

As on date, the Company has received approval from Competition Commission of India, Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited.

The Company is in the process of making an application to National Company Law Tribunal.

Divestment of NAARI

NAARI was acquired by the Company in January 2016, which is a vertically integrated steroid and hormone manufacturer specialising in high actives and complex chemistry. During the tenure, the Company had completed the first phase of re-orienting the business towards regulated markets with the first filings made both for US and EU markets. However, NAARI business requires significant investments for next three years in ramping up the R&D program/capacities.

In view of the above and the further requirement of cost in the NAARI, the Board considered a proposal received from a Promoter Group Company for buying the entire stake held by the Company in NAARI for a consideration of ₹ 110,000,000 (Rupees Eleven crores)

The Company has already obtained shareholders approval through postal ballot on March 22, 2017. Definitive agreements have been entered into with the Buyer and the transaction is expected to achieve closure in Q2 of FY 2018.

3. DIVIDEND

The Board of Directors of the Company have not recommended any dividend for the financial year March 31, 2017 (Previous Year; Nil per equity share).

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 March 31, 2017, the Company has allotted equity shares as under:

Date of allotment	No. of Shares	Allottee category	Remarks	Issue price
September 23, 2016	5,500,000	Promoter Group Entities	On conversion of convertible warrants	₹ 95

The Company has not allotted equity shares after the balance sheet date i.e. March 31, 2017.

6. SUBSIDIARIES

As at March 31, 2017, the Company has 24 subsidiaries, out of which 11 Companies are wholly owned Subsidiaries and the Company does not have any Joint Ventures / Associate Companies.

Changes in subsidiaries during the financial year ended March 31, 2017:

Alivria Saude Animal Health, Brazil Participacoes LTDA, Brazil	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 100% stake in Alivira Saude Animal Health, Brazil Participacoes LTDA, Brazil through its subsidiary Alivira Animal health Limited , Ireland.
Interchange Veterinaria Industrial E Comercia S.A., Brazil (Interchange).	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 70% stake in Interchage, Brazil through its subsidiary
Vila Vina Participacions S.L., Spain (Vila Vina)	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in Vila Vina, Brazil through its subsidiary
Laboratorios, Karizoo S.A, Spain ("Karizoo S.A")	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in Karizoo S.A, Spain through its subsidiary Vila Vina (Spain).
Comercial Vila Veterinaria DE Lledia S.L. Spain ("Coomercial Vina")	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in "Commercial Vina", Spain through its subsidiary Vila Vina (Spain)".
Phytotherapic Solutions S.L. Spain ("Phytotherapic")	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in "Phytotherapic" through its subsidiary Vila Vina (Spain).
Labaratorios Karizoo, S.A. D.E C.V. Mexico ("Karizoo Mexico")	Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in "Karizoo Mexico" through its subsidiary Vila Vina (Spain).
Alivira UA Limited	Alivira Animal Health Limited incorporated Alivira UA Limited on September 30, 2016

Accounts of Subsidiaries

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

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

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

7. EXTRACT OF ANNUAL RETURN

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

8. PUBLIC DEPOSIT

During the financial year 2016-17, 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 March 31, 2017, the Board comprises of 7 Directors consisting of 2 Executive Directors, 5 Non-executive Directors out of whom 3 are Independent Directors. Chairman of the Board is an Independent Director.

Dr. Gautam Kumar Das retired from post of Joint Managing Director with effect from January 07, 2017 and Mr. Sharat Narasapur (DIN: 02808651) was appointed as Joint Managing Director w.e.f January 08, 2017 for a period of 3 years.

Dr. S Devendra, Director (DIN: 00050440) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief profiles of Dr. S Devendra and Mr. Sharat Narasapur are given in the corporate governance report which forms part of this report.

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

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

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

During the year, the following changes took place in Key Managerial Personnel of the Company.

Sr. No.	Name of Director	Designation	Date of Appointment / Resignation /Retirement
Resignation / Retirement			
1.	Dr. Gautam Kumar Das	Joint Managing Director	January 07, 2017
2.	Mr. Kannan P R	Chief Financial Officer	February 10, 2017
3.	Mr. Preetham Hebbar	Company Secretary	February 10, 2017
Appointment			
1.	Mr. Sharat Narasapur	Joint Managing Director	January 08, 2017
2.	Mr. Tushar Mistry	Chief Financial Officer	February 11, 2017
3.	Mr. Krupesh Mehta	Company Secretary	February 11, 2017

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

10. MEETINGS OF THE BOARD

During the year ended March 31, 2017, 7 (Seven) Board Meetings were held. These meetings were held on April 4, 2016, May 14, 2016, August 12, 2016, November 10, 2016, February 3, 2017, February 10, 2017 and March 20, 2017.

11. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

The appointment and tenure of Independent Directors are governed by the provisions of the Companies Act, 2013 read with the rules thereto and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

The Nomination and Remuneration Committee at its meeting held on July 30, 2015 has adopted a policy namely SeQuent Policy on Nomination and Remuneration ("the Policy") in adherence to Section 178(3) of the Companies Act, 2013 read with the rules thereto 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 in 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

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

14. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nilesh shah, Practicing Company Secretary to carry out the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report is annexed as Annexure 4 to the Board's Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

15. AUDITORS

Statutory Auditors

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

Cost Auditor

Pursuant to Section 148(3) and Companies (Cost records and audit) Rules, 2014, M/s. Kirit Mehta & Co, practicing Cost Accountants, was appointed as the Cost Auditor for the financial year 2016-17. The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2016 was September 30, 2016 and the Cost Audit reports were filed by the Cost Auditor on September 28, 2016.

The due date for filing the Cost Audit Reports for the financial year ended March 31, 2017 is September 30, 2017.

16. AUDIT REPORT

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended March 31, 2017.

17. PARTICULARS OF EMPLOYEES

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

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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.

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

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

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY

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

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

22. RISK MANAGEMENT

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

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

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

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

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

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

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

26. 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.

27. CORPORATE GOVERNANCE

Your 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.

28. 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.

29. EMPLOYEE STOCK OPTION SCHEME

The Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010 " (the "ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines") and the scheme is administered through a trust. As on date 1,790,000 shares have been issued to the trust. During the year the Nomination and Remuneration Committee has granted 345,000 options to identified employees and 60,000 options lapsed due to resignation of employees. As at March 31, 2017, 2,925,000 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.

30. 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 March 31, 2017, unless otherwise stated.

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

Sd/-

Place: Thane
Date: August 3, 2017

Dr. Gopakumar G Nair
Chairman

ANNEXURE 1

FORM AOC - 1

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

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

Part A - Subsidiaries

Information relating to Subsidiaries of the Company as at March 31, 2017

(₹ in Million)

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	SeQuent Penems Private Limited	May 10, 2010	India	NA	INR	-	45.26	(15.52)	181.77	152.03	-	1.80	(1.24)	1.14	(2.38)	-	89.23%
2	Elysian Life Sciences Private Limited	March 2, 2010	India	NA	INR	-	0.10	(111.91)	0.52	112.33	-	-	(0.26)	-	(0.26)	-	100.00%
3	Alivira Animal Health Limited, India	September 30, 2013	India	NA	INR	-	414.06	2,327.60	5,584.43	2,842.77	680.82	2,988.61	(148.14)	-	(148.14)	-	100.00%
4	Alivira Animal Health Limited, Ireland	September 1, 2014	Ireland	NA	USD	64.8599	702.11	(248.42)	3,271.94	2,818.26	2,612.76	55.87	(121.38)	-	(121.38)	-	100.00%
5	Provet Veteriner Ürünleri San. Ve Tic. A. S.	September 9, 2014	Turkey	NA	TRY	17.8672	35.73	395.10	1,073.59	642.75	258.70	581.64	14.86	(47.63)	62.49	-	60.00%
6	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	18.29	215.37	152.98	-	242.81	8.51	4.42	4.09	-	100.00%
7	SeQuent Anit Biotics Private Limited	May 4, 2010	India	NA	INR	-	0.10	(0.63)	-	0.53	-	-	(0.02)	-	(0.02)	-	100.00%
8	SeQuent Pharmaceuticals Private Limited	May 11, 2010	India	NA	INR	-	0.10	(0.23)	0.11	0.24	-	-	(0.02)	-	(0.02)	-	99.99%
9	SeQuent Global Holdings Limited	June 12, 2008	Mauritius	NA	Euro	69.3741	9.76	(9.76)	-	-	-	0.90	0.11	-	0.11	-	100.00%
10	SeQuent European Holdings Limited*	May 19, 2008	Cyprus	NA	Euro	69.3741	0.28	(0.28)	-	-	-	-	-	-	-	-	100.00%
11	Fendigo SA	December 3, 2015	Belgium	NA	Euro	69.3741	10.75	67.04	194.27	116.48	-	539.78	41.93	14.69	27.24	-	85.00%
12	Fendigo BV	December 3, 2015	Netherland	NA	Euro	69.3741	2.08	21.58	43.77	20.11	-	107.17	13.14	2.68	10.47	-	85.00%
13	N-Vet AB	December 3, 2015	Sweden	NA	SEK	7.2600	4.36	113.08	151.13	33.69	-	222.63	32.41	7.34	25.06	-	85.00%
14	Naari Pharma Private Limited	January 27, 2016	India	NA	INR	-	5.10	(140.33)	1,333.31	1,468.54	-	687.25	(200.63)		(200.63)	-	51.02%
15	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.S.	December 11, 2015	Turkey	NA	TRY	17.8672	17.87	132.35	468.81	318.59	-	425.79	41.62	8.26	33.36	-	60.00%
16	Alivira Animal Health Australia Pty Limited	July 24, 2015	Australia	NA	AUD	-	-	-	-	-	-	-	-	-	-	-	100.00%
17	SeQuent Scientific Pte Limited	February 4, 2016	Singapore	NA	USD	64.8599	-	-	-	-	-	-	-	-	-	-	100.00%
18	Interchange Veterinária Indústria E Comércio Ltda.	August 1, 2016	Brazil	NA	BRL	20.5483	267.54	(462.32)	302.27	497.05	-	302.07	(37.82)	(11.81)	(26.01)	-	70.00%
19	Aliviria Saude brasil participacoes Ltda	June 10, 2016	Brazil	NA	BRL	20.5483	20.20	(17.95)	247.66	245.41	236.85	0.41	(18.15)	-	(18.15)	-	100.00%
20	Vila Viña Participacions S.L.	July 1, 2016	Spain	NA	EURO	69.3741	147.87	76.88	233.60	8.85	210.52	11.26	1.31	0.27	1.04	-	60.00%
21	Laboratorios Karizoo, S.A.	July 1, 2016	Spain	NA	EURO	69.3741	24.75	257.44	1,026.46	744.27	17.20	1,462.39	129.45	27.73	101.72	-	60.00%
22	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	July 1, 2016	Mexico	NA	PESO	69.3741	21.11	1.07	76.99	54.81	-	151.31	12.09	1.05	11.04	-	60.00%
23	Comercial Vila Veterinaria De Lleida S.L.	July 1, 2016	Spain	NA	EURO	69.3741	0.62	32.78	74.39	40.99	0.05	212.68	13.07	3.15	9.92	-	60.00%
24	Phytotherapic Solutions S.L	July 1, 2016	Spain	NA	EURO	69.3741	2.08	52.94	77.26	22.24	-	100.41	18.02	3.89	14.12	-	60.00%
25	Alivira UA Limited	September 30, 2016	Ireland	NA	USD	64.8399	-	-	-	-	-	-	-	-	-	-	100.00%

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

2 Names of subsidiaries which have been liquidated or sold during the year:
   a) SeQuent European Holdings Limited

* SeQuent European Holdings Limited ceased to be the subsidiary of the Company with effect from November 30, 2016

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2017

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

Sd/-	Sd/-	Sd/-	Sd/-
Mr. Manish Gupta	**Mr. Sharat Narasapur**	**Mr. Tushar Mistry**	**Mr. Krupesh Mehta**
Managing Director and Chief Executive Officer	Joint Managing Director	Chief Financial Officer	Company Secretary

Date: August 3, 2017
Place: Thane

ANNEXURE 2

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS

1. CIN	L99999MH1985PLC036685
2. Registration Date	June 28, 1985
3. Name of the Company	SeQuent Scientific Limited
4. Category/ Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
5. Address of the Registered office and contact details	301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No.22, Wagle Industrial Estate, Thane west - 400 604, Maharashtra, India Tel No: +91 22 4111 4777
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

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:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
17	Naari Pharma Private Limited C-3/199, Janakpuri, New Delhi- 110058, Delhi	NA	Subsidiary	51.02	Section 2(87)
18	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)
19	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)
20	Vila Viña Participacions S.L. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
21	Laboratorios Karizoo, S.A. Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
22	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)
23	Comercial Vila Veterinaria De Lleida S.L. Calle gran (ptda. Llivia), Lleida, 25195 , Lerida	NA	Subsidiary	60	Section 2(87)
24	Phytotherapic Solutions S.L Polg. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui	NA	Subsidiary	60	Section 2(87)
25	Alivira UA Limited. 25-28, North Wall Quay, I.F.S.C., Dubin 1, Ireland	NA	Subsidiary	100	Section 2(87)

Note: # SeQuent European Holdings Limited ceased to be the subsidiary of the Company with effect from November 30, 2016

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

i. Category-wise Shareholding

	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	23.42	55799895	0	55799895	22.89	-0.53
(b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt(s)	0	0	0	0.00	0	0	0		0.00
(d)	Bodies Corp.	71571230	0	71571230	30.04	77071230	0	77071230	31.62	1.58
(e)	Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any other									
f-1)	PERSONS ACTING IN CONCERT(CORP.BODIES)	6481705	0	6481705	2.72	6481705	0	6481705	2.66	-0.06
f-2)	PERSONS ACTING IN CONCERT(INDIVIDUALS)	150000	0	150000	0.06	150000	0	150000	0.06	0.00
	Total Shareholding of promoter (A)	**134002830**	**0**	**134002830**	**56.25**	**139502830**	**0**	**139502830**	**57.24**	**0.99**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
(a)	Mutual Funds	11497385	0	11497385	4.83	14965769	0	14965769	6.14	1.31
(b)	Banks / FI	0	0	0	0.00	12270	0	12270	0.01	0.01
(c)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Govt(s)	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	39289085	0	39289085	16.49	30576291	0	30576291	12.54	-3.95
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**50786470**	**0**	**50786470**	**21.32**	**45554330**	**0**	**45554330**	**18.69**	**-2.63**

	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	
(2)	**Non - Institutions**									
(a)	Bodies Corp.									
i)	Indian	20921114	0	20921114	8.78	23277577	0	23277577	9.55	0.77
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	7524357	51305	7575662	3.18	8325221	51275	8376496	3.44	0.26
ii)	Individual shareholders holding nominal share capital in excdess of ₹1 lakh	16426045	0	16426045	6.89	17022501	0	17022501	6.98	0.09
c)	Others (Specify)									
c-1)	NON RESIDENT INDIANS(INDIVIDUALS)	5575564	0	5575564	2.34	7751334	0	7751334	3.18	0.84
c-2)	CLEARING MEMBER	259270	0	259270	0.11	49887	0	49887	0.02	-0.09
c-3)	DIRECTORS	369240	0	369240	0.15	408740	0	408740	0.17	0.01
c-4)	TRUSTS	2320000	0	2320000	0.97	1792500	0	1792500	0.74	-0.24
	Sub-Total (B)(2)	**53395590**	**51305**	**53446895**	**22.43**	**58627760**	**51275**	**58679035**	**24.07**	**1.64**
(B)	**Total Public Shareholding(B)= (B)(1)+(B)(2)**	**104182060**	**51305**	**104233365**	**43.75**	**104182090**	**51275**	**104233365**	**42.76**	**-0.99**
(C)	**SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public -	0	0	0	0	0	0	0	0	0
	Sub-total (C)	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	**238184890**	**51305**	**238236195**	**100**	**243684920**	**51275**	**243736195**	**100**	**0**

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
		Number of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	Number of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	TARINI ARUN KUMAR	500000	0.21	0.00	500000	0.21	0.00	0.00
2	PRONOMZ VENTURES LLP	17532560	7.36	0.00	23032560	9.45	0.00	2.09
3	K R RAVISHANKAR	27899930	11.71	0.00	27899930	11.45	0.00	-0.26
4	ADITYA ARUN KUMAR	500000	0.21	0.00	500000	0.21	0.00	0.00
5	DEEPA ARUN KUMAR	500000	0.21	0.00	500000	0.21	0.00	0.00
6	KRISHNA KUMAR NAIR	500000	0.21	0.00	500000	0.21	0.00	0.00
7	AGNUS HOLDINGS PVT LTD	1301150	0.55	69.17	1301150	0.53	69.17	-0.01
8	CHAYADEEP PROPERTIES PVT LTD	5180555	2.17	96.51	5180555	2.13	96.51	-0.05
9	AGNUS CAPITAL LLP	25125000	10.55	0.00	25125000	10.31	30.97	-0.24
10	PADMAKUMAR KARUNAKARAN PILLAI	500000	0.21	0.00	500000	0.21	0.00	0.00
11	SAJITHA PILLAI	500000	0.21	0.00	500000	0.21	0.00	0.00
12	HEMALATHA PILLAI	500000	0.21	0.00	500000	0.21	0.00	0.00
13	VINEETHA MOHANAKUMAR PILLAI	500000	0.21	0.00	500000	0.21	0.00	0.00
14	CHAYADEEP VENTURES LLP	25125000	10.55	0.00	25125000	10.31	39.08	-0.24
15	RAJITHA GOPALAKRISHNAN	500000	0.21	0.00	500000	0.21	0.00	0.00
16	ARUNKUMAR PILLAI	23399965	9.82	71.79	23399965	9.60	55.56	-0.22
17	YALAVARTHY USHA RANI	150000	0.06	0.00	150000	0.06	0.00	0.00
18	DEVICAM CAPITAL LLP	3788670	1.59	0.00	3788670	1.55	0.00	-0.04
	TOTAL	**134002830**	**56.25**	**16.94**	**139502830**	**57.24**	**26.16**	**0.99**

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	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
2	At the beginning of the year	CHAYADEEP PROPERTIES PVT LTD	4/1/2016	5180555	2.17	5180555	2.17
	At the End of the year		31/03/2017	0	0.00	5180555	2.17
3	At the beginning of the year	CHAYADEEP VENTURES LLP	4/1/2016	25125000	10.55	25125000	10.55
	At the End of the year		31/03/2017	0	0.00	25125000	10.55

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
4	At the beginning of the year	AGNUS HOLDINGS PVT LTD	4/1/2016	1301150	0.55	1301150	0.55
	At the End of the year		31/03/2017	0	0.00	1301150	0.55
5	At the beginning of the year	DEVICAM CAPITAL LLP	4/1/2016	3788670	1.59	3788670	1.59
	At the End of the year		31/03/2017	0	0.00	3788670	1.59
6	At the beginning of the year	YALAVARTHY USHA RANI	4/1/2016	150000	0.06	150000	0.06
	At the End of the year		31/03/2017	0	0.00	150000	0.06
7	At the beginning of the year	PRONOMZ VENTURES LLP	4/1/2016	17532560	7.36	17532560	7.36
			23/09/2016	5500000	2.26	23032560	2.26
	At the End of the year		31/03/2017	0	0.00	23032560	9.45
8	At the beginning of the year	SAJITHA PILLAI	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
9	At the beginning of the year	AGNUS CAPITAL LLP	4/1/2016	25125000	10.55	25125000	10.55
	At the End of the year		31/03/2017	0	0.00	25125000	10.55
10	At the beginning of the year	K R RAVISHANKAR	4/1/2016	27899930	11.71	27899930	11.71
	At the End of the year		31/03/2017	0	0.00	27899930	11.71
11	At the beginning of the year	RAJITHA GOPALAKRISHNAN	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
12	At the beginning of the year	PADMAKUMAR KARUNAKARAN PILLAI	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
13	At the beginning of the year	VINEETHA MOHANAKUMAR PILLAI	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
14	At the beginning of the year	ARUNKUMAR PILLAI	4/1/2016	23399965	9.82	23399965	9.82
	At the End of the year		31/03/2017	0	0.00	23399965	9.82
15	At the beginning of the year	DEEPA ARUN KUMAR	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	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
16	At the beginning of the year	HEMALATHA PILLAI	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
17	At the beginning of the year	ADITYA ARUN KUMAR	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	0.21
18	At the beginning of the year	TARINI ARUN KUMAR	4/1/2016	500000	0.21	500000	0.21
	At the End of the year		31/03/2017	0	0.00	500000	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	UNIT TRUST OF INDIA INVESTMENT ADVISORY	4/1/2016	14138395	5.93	14138395	5.93
	At the End of the year		31/03/2017	0	0.00	14138395	5.93
2	At the beginning of the year	TIMF HOLDINGS	4/1/2016	12727245	5.34	12727245	5.34
	Date wise Increase / Decrease in Share holding during the year		13/05/2016	616195	0.26	13343440	5.60
			02/12/2016	3930	0.00	13347370	5.48
	At the End of the year		31/03/2017	0	0.00	13347370	5.48
3	At the beginning of the year	SBI PHARMA FUND	4/1/2016	9027345	3.79	9027345	3.79
	Date wise Increase / Decrease in Share holding during the year		08/04/2016	50000		9077345	
			15/04/2016	50000		9127345	
			06/05/2016	849149		9976494	
			10/06/2016	50000		10026494	
			01/07/2016	350000		10376494	
			08/07/2016	135525		10512019	
			15/07/2016	400000		10912019	
			22/07/2016	50000		10962019	
			05/08/2016	56517		11018536	
			16/09/2016	645000		11663536	
			23/09/2016	43483		11707019	
			06/01/2017	-45000		11662019	
	At the End of the year		31/03/2017	0		11662019	4.78

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
4	At the beginning of the year	DVI FUND MAURITIUS LTD	4/1/2016	9394295	3.94	9394295	3.94
	At the End of the year		31/03/2017	0	0.00	9394295	3.94
5	At the beginning of the year	LAXMI SHIVANAND MANKEKAR	4/1/2016	3649660	1.53	3649660	1.53
	At the End of the year		31/03/2017	5500000	2.26	9149660	3.75
6	At the beginning of the year	SATPAL KHATTAR	4/1/2016	5253050	2.20	5253050	2.20
	At the End of the year		31/03/2017	1869160	0.77	7122210	2.92
7	At the beginning of the year	DB INTERNATIONAL (ASIA) LTD	4/1/2016	5939666	2.49	5939666	2.49
	Date wise Increase / Decrease in Share holding during the year		08/04/2016	-21287		5918379	
			15/04/2016	-40074		5878305	
			22/04/2016	-19948		5858357	
			29/04/2016	-10578		5847779	
			06/05/2016	-76522		5771257	
			13/05/2016	-154322		5616935	
			20/05/2016	-59122		5557813	
			27/05/2016	-37648		5520165	
			10/06/2016	-340172		5114794	
			17/06/2016	-587288		4527506	
			24/06/2016	-125851		4401655	
			30/06/2016	-388200		4013455	
			01/07/2016	-153037		3860418	
			08/07/2016	-436024		3424394	
			15/07/2016	-72840		3351554	
			22/07/2016	-81807		3269747	
			29/07/2016	-23259		3246488	
			05/08/2016	-38327		3208161	
			12/08/2016	-89631		3118530	
			19/08/2016	-67240		3051290	
			26/08/2016	-814686		2236604	
			02/09/2016	-103827		2132777	
			09/09/2016	-12055		2120722	
			16/09/2016	-833462		1287260	
			23/09/2016	-121374		1165886	
			30/09/2016	-5835		1160051	
			07/10/2016	-221011		939040	
			14/10/2016	-4255		934785	
			21/10/2016	-541940		392845	
			28/10/2016	-723		392122	
			04/11/2016	-209682		182440	
			18/11/2016	34464		216904	
			25/11/2016	-37770		179134	
			02/12/2016	-65888		113246	

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
			09/12/2016	-44777		68469	
			16/12/2016	-68142		327	0.00
			03/03/2017	10		337	0.00
	At the End of the year		31/03/2017	0	0.00	337	0.00
8	At the beginning of the year	SHIVANAND SHANKAR MANKEKAR	4/1/2016	5500000	2.31	5500000	2.31
	At the End of the year		31/03/2017	-5500000	2.26	0	0.00
9	At the beginning of the year	MORGAN STANLEY ASIA (SINGAPORE) PTE.	4/1/2016	5309305	2.23	5309305	2.23
	Date wise Increase / Decrease in Share holding during the year		08/04/2016	10000	0.00	5319305	2.23
			06/05/2016	-616195	0.26	4703110	1.97
			24/02/2017	-15477	0.01	4687633	1.92
			03/03/2017	-60484	0.02	4627149	1.90
	At the End of the year		31/03/2017	-10350	0.00	4616799	1.89
10	At the beginning of the year	GOLDMAN SACHS INDIA FUND LIMITED	4/1/2016	2826337	1.19	2826337	1.19
	Date wise Increase / Decrease in Share holding during the year		08/04/2016	-55000	0.02	2771337	1.16
			15/04/2016	-50000	0.02	2721337	1.14
			06/05/2016	-1038465	0.44	1682872	0.71
			10/02/2017	-21107	0.01	1661765	0.68
	At the End of the year		31/03/2017	0	0.00	1661765	0.68

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. Gopakumar G Nair						
	At the beginning of the year	1-Apr-16	Opening Balance	116,740	0.00	116,740	0.00
	At the end of the year	31-Mar-17	Closing Balance	116,740	0.00	116,740	0.00
2	Mr. Manish Gupta						
	At the beginning of the year	1-Apr-16	Opening Balance	130,000	0.01	130,000	0.01
	At the end of the year	31-Mar-17	Closing Balance	130,000	0.01	130,000	0.01
3	Dr. Gautam Kumar Das*						

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1-Apr-16	Opening Balance	124,000	0.01	124,000	0.01
		10/06/2016		(1,000)	(0.00)		
		17/06/2016		(500)	(0.00)		
		30/06/2016		(756)	(0.00)		
		15/07/2016		32,500	0.00		
		12/08/2016		30,000	0.00		
		26/08/2016		(3,000)	(0.00)		
		09/09/2016		(744)	(0.00)		
		16/09/2016		(1,000)	(0.00)		
		23/09/2016		(1,000)	(0.00)		
		21/10/2016		(1,000)	(0.00)		
		25/11/2016		(2,000)	(0.00)		
		02/12/2016		(1,000)	(0.00)		
		23/12/2016		(1,000)	(0.00)		
		30/12/2016		(2,000)	(0.00)		
		06/01/2017		(4,000)	(0.00)		
		13/01/2017		(4,000)	(0.00)		
	At the end of the year	31-Mar-17	Closing Balance		-	162,000	0.01
4	Dr. Kausalya Sathanam						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-
5	Mr. Narendra Mairpady						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-
6	Dr. S Devendra Kumar						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-
7	Mr. K E C Rajakumar						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-
8	Mr. Kannan P R**						
	At the beginning of the year	1-Apr-16	Opening Balance	62,500	0.00	62,500	0.00
	At the end of the year	31-Mar-17	Closing Balance	62,500	0.00	62,500	0.00
9	Mr. Preetham Hebbar***						
	At the beginning of the year	1-Apr-15	Opening Balance	10	0.00	10	0.00
	At the end of the year	31-Mar-16	Closing Balance	10	0.00	10	0.00

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
10	Mr. Sharat Narasapur****						
	At the beginning of the year	1-Apr-16	Opening Balance	NA	NA	NA	NA
	At the end of the year	31-Mar-17	Closing Balance	70,000	0.00	70,000	0.00
11	Mr. Tushar Mistry#						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-
12	Mr. Krupesh Mehta##						
	At the beginning of the year	1-Apr-16	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-17	Closing Balance	-	-	-	-

* Ceased to be a director of the Company with effect from January 08, 2017
**Ceased to be a CFO of the Company with effect from February 10, 2017
*** Ceased to be a CS of the Company with effect from February 10, 2017
****Appointed as a Director with effect from January 08, 2017
Appointed as a CFO with effect from February 11, 2017
Appointed as a CS with effect from February 11, 2017

V. INDEBTEDNESS

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year i.e., April 1, 2016				
i) Principal Amount	486.69	0.80		487.49
ii) Interest due but not paid				-
iii) interest accrued but not due				-
Total (i+ii+iii)	**486.69**	**0.80**	**-**	**487.49**
Change in indebtedness during the financial year				
Addition	483.27	-		483.27
Reduction	(98.10)	(0.80)		(98.89)
Working Capital (Net)	-			-
Exchange Loss/(Gain)				-
Net Change	**385.17**	**(0.80)**	**-**	**384.37**
Indebtedness at the end of the financial Year i.e., March 31, 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**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director / Manager		Total Amount
		Mr. Manish Gupta, Managing Director	Dr. Gautam Kumar Das, Joint Managing Director	
1.	Gross Salary*			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.32	5.41	12.73
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	1.28	1.28
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options granted during the year 2016-17	-	-	-
3.	Sweat Equity granted during the year 2016-17	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others, specify			
5.	Others			
	Variable Pay accrued for the year 2016-17	1.42	0.56	1.98
	TOTAL (A)	**8.74**	**7.25**	**15.99**
	Ceiling as per the Act	Total remuneration as per Schedule V of Companies Act, 2013		

*Excludes Company's contribution to PF of ₹ 0.48 Million and ₹ 0.22 Million for Mr. Manish Gupta and Dr. Gautam Kumar Das respectively.
Note: Mr. Manish Gupta and Dr. Gautam Kumar Das also received managerial remuneration of ₹ 9.29 Mio and ₹ 5.60 Mio respectively from Alivira Animal Health Limited, a subsidiary of the Company for the year 2016-17.

* Dr. Gautam Kumar Das retired as Joint Managing Director on January 7, 2017.

* Mr. Sharat Narasapur was appointed as Joint Managing Director w.e.f. January 8, 2017 and he receives ₹ Nil remuneration from the Company. He receives remuneration from Alivira Animal Health Limited, Wholly-Owned Subsidiary of the Company.

B. Remuneration to other directors:

(₹ in Million)

Sr. 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						
	-Fee for attending Board/ Committee Meetings	0.47	0.47	0.47			1.41
	- Commission						
	- Others, please specify						
	TOTAL (1)	**0.47**	**0.47**	**0.47**			**1.41**
2.	Other Non-Executive Directors						
	- Fee for attending board/ Committee meetings	-	-	-	0.35	0.35	0.70
	- Commission						
	- Others, please specify						
	TOTAL (2)	**-**	**-**	**-**	**0.35**	**0.35**	**0.70**
	TOTAL (B) = (1+2)	**0.47**	**0.47**	**0.47**	**0.35**	**0.35**	**2.11**
	TOTAL MANAGERIAL REMUNERATION (A+B)						
	Overall Ceiling as per the Act	1% of net profit and sitting fee of ₹ 100,000 Lakh per Director per meeting					

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kannan P R, Chief Financial Officer	Mr. Preetham Hebbar, Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.57	0.67	7.24
	(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 2016-17	-	-	-
3.	Sweat Equity granted during the year 2016-17	-	-	-
4.	Commission	-	-	-
5.	Others, Variable Pay for the year 2016-17	1.44	-	1.44
TOTAL		**8.01**	**0.67**	**8.68**

1. Excludes Company's contribution to PF ₹ 0.41 Million and ₹ 0.03 Million for Mr. Kannan PR and Mr. Preetham Hebbar respectively.
2. Mr. Kannan P R and Mr. Preethan Hebbar resigned on Febuary 10, 2017.

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Tushar Mistry, Chief Financial Officer	Mr. Krupesh Mehta, Company Secretary	Total
1.	Gross Salary			
	(d) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.78	0.16	0.94
	(e) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(f) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2.	Stock Options granted during the year 2016-17	-	-	-
3.	Sweat Equity granted during the year 2016-17	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, Variable Pay for the year 2016-17	-	-	-
TOTAL		**0.78**	**0.16**	**0.94**

1. Excludes Company's contribution to PF ₹ 0.038 Million and ₹ 0.009 Million for Mr. Tushar Mistry and Mr. Krupesh Mehta respectively.
2. Mr. Tushar Mistry and Mr. Krupesh Mehta were appointed on February 11, 2017.

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

ANNEXURE 3

SEQUENT'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has adopted a policy namely "SeQuent's Policy on Director's Appointment and Remuneration" on Director's Appointment and Remuneration in terms of Section 178(3) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) as entered with stock exchange. The Nomination and Remuneration Committee ("the Committee") at its meeting held on July 30, 2015 had approved this policy.

Scope of the Policy:

This policy is applicable to SeQuent Scientific Limited, its subsidiaries and joint ventures (together referred to as "SeQuent") and the Directors, Key Managerial Personnel of the Company

This policy will be a guide for human resource management, thereby aligning plan for strategic growth of the company

Definition

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

- 'the 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 members of its core management team excluding the Board of Directors including Functional Heads.

SECTION I

The 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 and Senior Management.

Composition and meetings

The term of composition and requirements as to the meeting of the committee is following:

- The committee shall consist of minimum three non-executive directors out of which one half shall be independent directors. .
- The Chairman of the Committee shall not be independent Director and who shall not be Chairman of the Company
- Minimum two members shall constitute a quorum of committee meeting.
- Constitution of the committee shall be disclosed in the Annual Report
- Terms of the committee shall be continued unless terminated by Board of Directors.
- The Committee shall meet as and when the requirement arises

Key Objectives of Committee:

Key objectives of the committee is:

- To identify persons who are qualified to become Directors 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

SECTION II

This section covers the duties of the Committee in relation to various matters and recommendations to be made by the Committee to the Board.

Duties and roles of the committee:

- Formulating the criteria of determining the qualification, positive attributes and independence of the Director.
- Identifying person who are qualified to become a director and person who may / can be appointed in the Senior Management in accordance to the idea 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 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 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 change 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.
- Consider any other matters as may be requested by the Board.

SECTION III

This section covers the criteria and qualifications of appointment, term and tenure of Directors and Key Managerial Personnel

Appointment criteria and qualifications:

- 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 for the position he/she is considered for appointment. 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 Whole-time Director who as 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 shareholders 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.

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 shareholders 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 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.

Evaluation:
The committee shall carry out evaluation of performance of every Director at regular intervals and at least on an annual basis.

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

Retirement:
The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and prevailing 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, for the benefit of the Company.

SECTION IV
This section of the policy covers provisions relating to the Remuneration for the Whole-time Director, Key Managerial Personnel and Senior Management Personnel.

General
- The remuneration of the Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. Wherever required, the remuneration/ compensation/ commission etc. shall be subject to approval of the shareholders of the Company and Central Government.

- 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 shareholders of the company.

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

i. Fixed pay: the Whole-time Director/ Managing Director shall be eligible for a monthly remuneration as may be approved by the Board 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 shareholders and Central Government, wherever required. The Committee shall approve the remuneration for the Key Managerial Personnel.

ii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its 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.

iii. 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 organization. These rewards could be in the form/ nature of stock options and are bases on level of employees and their criticality.

iv. 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.

Remuneration to Non-Executive Director / Independent Director:

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

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

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

The remuneration structure for Non-Executive and Independent Directors of the Company is as follows:

Sr. No.	Particulars	Amount (in ₹)
1.	Board sitting Fees (per Director per meeting)	50,000
2.	Audit Committee Sitting Fees (per Member per meeting)	20,000
3.	Board remuneration	-
4.	Travel allowance for directors	-
5.	Sitting Fees of other Committees (per Member per meeting)	-

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 and SEBI (Listing Obligations Disclosures Requirements). 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.

The Policy is updated on August 03, 2017.

ANNEXURE 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, 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, 2017, according to the provisions of:

1. The Companies Act, 2013 and the rules made there under;

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

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

4. 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;

5. 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.

6. Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:

i.) The Drugs & Cosmetics Act, 1940;

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

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

iv.) 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:

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

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

c. 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 under report, 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.

a. Proposed Demerger of Human API Business;

b. Disinvestment in Naari Pharma Private Limited (formerly Indo Phyto Chemicals Private Limited).

c. Conversion of outstanding warrants held by Pronomz Ventures LLP. (Entity belongs to / classified as Promoter Group)

Nilesh Shah - Partner
Nilesh Shah & Associates
FCS No.: 4554
CP No.: 2631

Date:
Place: Mumbai

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

ANNEXURE A

To,
The Members
SeQuent Scientific Limited

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

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

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

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

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

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

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

Nilesh Shah - Partner
Nilesh Shah & Associates
FCS No.: 4554
CP No.: 2631

Place: Mumbai
Date: August 3, 2017

ANNEXURE 5

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

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2017:	As on date of this Report, the Board comprises of 7 Directors consisting of 2 Executive Directors, 3 Independent Directors and 2 Non-Executive Director. The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000 for attending each meeting of the Board and ₹ 20,000 for attending each meeting of the Audit Committee and do not receive any other form of remuneration. The ratio of remuneration of Executive Directors to the median remuneration of the employees of the Company for the financial year March 31, 2017: Mr. Manish Gupta - 42.74 Dr Gautam Kumar Das - 30.83 Mr. Sharat Narasapur - Nil The median remuneration for the period under review is approximately ₹ 1,82,635.50
b.	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ended March 31, 2017:	

#	Particulars	% Increase
1	Mr. Manish Gupta Managing Director and Chief Executive Officer	6%
2	Dr Gautam Kumar Das Joint Managing Director	0%
3	Mr. Sharat Narasapur Joint Managing Director	5%
4	P R Kannan Chief Financial Officer	5%
5	Mr. Preetham Hebbar Company Secretary	6%
c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2017	28.62%
d.	The number of permanent employees on the rolls of Company as at March 31, 2017	797
e.	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.

Note:

1. Dr Gautam Kumar Das retired-on January 7, 2017 and Mr. Sharat Narasapur was appointed on January 8, 2017 as Joint Managing Director. He receives nil remuneration from the Company. He receives remuneration from Alivira Animal Health Limited, Wholly-Owned Subsidiary of the Company.
2. Mr. P R Kannan & Mr. Preetham Hebbar resigned on February 10, 2017.

For and on **behalf of the Board of Directors**
Sd/-
Dr. Gopakumar G Nair
Chairman

Place: Thane
Date: August 3, 2017

ANNEXURE 6

Form No. AOC - 2

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

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS –** There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2017 which were not at arm's length basis.

2. **DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS FOR THE YEAR ENDED MARCH 31, 2017 ARE AS BELOW:**

Sr. 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 Materials / Services as per prevailing market prices	Upto March 31, 2017	The Company will supply Active Pharmaceutical Ingredients (Raw Materials) to Strides at prevailing market price	557.80	May 14, 2016	Nil
2	Alivira Animal Health Limited, India	Sale of Material / Services at cost plus 5% mark-up	Upto March 31, 2017	The Company will supply Active Pharmaceutical Ingredients and Intermediates to Alivira	935.07	May 14, 2016	Nil
		Loans and Advances given	Upto March 31, 2017	To fulfil the funding requirements as and when need arises	583.96	May 14, 2016	Nil
		Loans and Advances repaid	Upto March 31, 2017	For loan repayments	685.11	May 14, 2016	Nil

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

Place: Thane
Date : August 3, 2017

Dr. Gopakumar G Nair
Chairman

ANNEXURE 7

ANNUAL REPORT ON CSR ACTITIVITES

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

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

   Vision:

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

   Mission:

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

   Objectives:

   The Company believes that growth of the community should go hand-in-hand with the growth of the company. Hence, the Company prioritizes 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 :** Nil

4. **The prescribed CSR Expenditure (two per cent of the amount mentioned in item 3):** Not Applicable

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

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

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

7. **Responsibility statement**

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

For and on **behalf of the CSR Committee of SeQuent Scientific Limited**

Sd/-
Mr. Manish Gupta
Chairman
CSR Committee

Place: Thane
Date: August 3, 2017

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.

	2016-17	2015-15
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 :		
Unit	494,664	658,226
Units per-litre of diesel oil	3.21	3.39
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

Form B

a. Measures taken for the year 2016 – 17

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 2016-17

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 commercialization & 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.

c. Future plan of action:

1. Develop niche Human and Veterinary APIs and build strong pipe line.

2. To focus on the development of niche Veterinary Formulations and build sustainable business.

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

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

Expenditure on R&D:

(₹ in Million)

	2016-17	2015-16
Capital	-	-
Recurring	124.50	86.05
TOTAL	**124.50**	**86.05**

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

Sd/-
Dr. Gopakumar G Nair
Chairman

Place: Thane
Date: August 3, 2017

ANNEXURE 9

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 forming part of the Directors' Report for the year ended March 31, 2017

A. DETAILS RELATED TO EMPLOYEE STOCK OPTION SCHEME

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

In the Board meeting dated March 29, 2010, the Company has allotted 700,000 equity shares to the ESOP trust with a Face value of ₹ 10 per share at a premium of ₹ 103 per share. As at March 31, 2017, 17,90,000 equity shares (March 31, 2016 – 23,20,000 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 May 14, 2016 has granted 3,45,000 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 2016-17

Particulars	SeQuent ESOP 2010
Number of options outstanding as at April 1, 2016	35,45,000
Number of options granted during year	3,45,000
Number of options forfeited / lapsed during the year	4,35,000
Number of options vested during the year	11,25,000
Number of options exercised during the year	5,30,000
Number of shares arising as a result of exercise of options	5,30,000
Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	₹ 11,472,500
Options outstanding as at March 31, 2017	29,25,000
Options exercisable as at March 31, 2017	10,52,500

Variation of terms of options	Nil
Weighted average exercise price of options	₹ 29.87
Weighted average fair values of options	₹ 75.74
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

Sr. 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.	James D. Terish	AGM - BSD	25,000	₹ 87 per option
2.	Naraveera B.P.	AGM - Q.A.	25,000	₹ 87 per option
3.	B.G.Krishna	AGM - PDL	25,000	₹ 87 per option
4	Dr. P.K.Vasudeva	DGM - R & D	25,000	₹ 87 per option
5	Hitesh A Galani	DGM-Procurement	25,000	₹ 87 per option
6	Vaidyanathanan Prakash	DGM-Planning	25,000	₹ 87 per option
7	Chander Kant Dhawan	Sales Manager -North	25,000	₹ 87 per option
8	Sumit Saxena	AVP- International Marketing	50,000	₹ 87 per option
9	Ramkrishna Kamath	AGM - Costing	25,000	₹ 87 per option
10	Ravi Kiran S	GM-Works	25,000	₹ 87 per option
11	Sravan Kumar T	AGM - Production	25,000	₹ 87 per option
12	Murali Krishna H	GM - Works	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	₹ 41,679,000
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

Brief details of transactions in shares by the Trust

(a)	Number of shares held as at April 1, 2016	2,320,000
(b)	Number of shares acquired during the year through	Nil
	(i) primary issuance ■ '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	530,000
(d)	Number of shares held as at March 31, 2017	1,790,000

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

Sd/-
Dr. Gopakumar G Nair
Chairman

Place: Thane
Date: August 3, 2017

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

All decisions are taken in the interest of the shareholders. The Board and the management are aware and conscious of minority shareholder's interest and everything is done to enhance shareholders' value. 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) (b) 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 March 31, 2017, 7 (Seven) Board Meetings were held. These meetings were held on April 4, 2016, May 14, 2016, August 12, 2016, November 10, 2016, February 3, 2017, February 10, 2017 and March 20, 2017.

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

Composition of the Board and Directorships held as at March 31, 2017:

Sr. No	Name of the Director	Category of Director	Number of other Directorships	Number of member ships in other Board committees	Chairmanships in other Board Committees
1.	Dr. Gopakumar G Nair	Independent Non-Executive Director	3	1	3
2.	Mr. Manish Gupta	Executive Director	2	-	-
3.	Mr. Sharat Narasapur	Executive Director	1	-	-
4.	Dr. Kausalya Santhanam	Independent Non-Executive Director	1	1	1
5.	Mr. Narendra Mairpady	Independent Non-Executive Director	8	3	5
6.	Dr. S. Devendra Kumar	Non-Executive Director	1	-	-
7.	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 in all Public Limited Companies and chairmanships in all Listed Companies are considered for the purpose of disclosure and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 have been excluded.

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

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

7. Dr. Gautam Kumar Das retired as Joint Managing Director on January 7, 2017 and Mr. Sharat Narasapur was appointed as Joint Managing Director on January 8, 2017

8. 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 14, 2016 in the year 2016-17 without the presence of Non-Independent Directors or senior management of the Company.

The independent directors in the meeting inter-alia:

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

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

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

Familiarization programme for Independent Directors/ Non-Executive Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize 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 familiarization programme is disclosed on the website of the Company www.sequent.in (web link: http://sequent.in/pdf/independent-director/Sequent_Familiarization Programme for Independent Directors.pdf)

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

Sr. No	Name of the Director	No. of meetings held during the year 2016-17	Attendance at the Board Meetings	Attendance at the Last AGM
1.	Dr. Gopakumar G Nair	7	7	Present
2.	Mr. Manish Gupta	7	7	Present
3.	Mr. Sharat Narasapur	3	3	NA
4.	Dr. Kausalya Santhanam	7	7	Present
5.	Mr. Narendra Mairpady	7	7	Absent
6.	Dr. S. Devendra Kumar	7	7	Present
7.	Mr. K E C Rajakumar	7	6	Absent
8.	Dr. Gautam Kumar Das*	4	4	Present

* Dr. Gautam Kumar Das retired as Joint Managing Director on January 7, 2017 and Mr. Sharat Narasapur was appointed as Joint Managing Director on January 8, 2017

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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or 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 utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Composition of Audit Committee, Meetings held and attendance during the year.
During the year ended March 31, 2017, 6 (Six) Audit Committee Meetings were held. These meetings were held on May 14, 2016, August 12, 2016, November 10, 2016, February 3, 2017, February 10, 2017 and March 20, 2017.

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

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

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Gopakumar G Nair	Chairman	6	6
2.	Dr. Kausalya Santhanam	Member	6	6
3.	Mr. Narendra Mairpady	Member	6	6

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

Terms of Reference

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

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

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

3. Devising a policy on Board diversity;

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

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

Composition of Nomination and Remuneration Committee

During the year ended March 31, 2017, 5 (Five) Nomination and Remuneration Committee meetings were held. These meetings were held on May 14, 2016, August 12, 2016, November 10, 2016, February 10, 2017 and March 20, 2017.

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

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

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings attended
1.	Dr. Kausalya Santhanam	Chairman	5	5
2.	Dr. Gopakumar G Nair	Member	5	5
3.	Mr. Narendra Mairpady	Member	5	5

Remuneration Policy

The Committee recommends the compensation package to the executive directors of the Company. The remuneration will include salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. 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. Customized questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole. Based on the Policy the evaluation was conducted by the Company. The entire Board of Director 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)#	7.32	-	-	-	-	1.42	8.74
Dr. Gautam Kumar Das (Joint Managing Director till January 7, 2017)#	5.41	1.28	-	-	-	0.56	7.25
Dr. Gopakumar G Nair (Independent Director)	-	-	-	0.47	-	-	0.47
Mr. Sharat Narasapur (Joint Managing Director from January 8, 2017)#	-	-	-				-
Dr. Kausalya Santhanam (Independent Director)	-	-	-	0.47	-	-	0.47
Mr. Narendra Mairpady (Independent Director)	-	-	-	0.47	-	-	0.47
Dr. S Devendra (Non-Executive Director)	-	-	-	0.35	-	-	0.35
Mr. K E C Rajakumar (Non-Executive Director)	-	-	-	0.35	-	-	0.35

Note: # Mr. Manish Gupta, Dr. Gautam Kumar Das and Mr. Sharat Narasapur also received managerial remuneration of ₹ 9.29 Million, ₹ 5.60 Million and ₹ 2.82 Million respectively from Alivira Animal Health Limited, a Wholly- Owned Subsidiary of the Company for the year 2016-17.

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

As on March 31, 2017, the Company has granted 2,000,000 stock options to Mr. Manish Gupta out of which 11,25,000 stock options have vested on him of which 125,000 stock options have been exercised.

250,000 stock options have been granted to Dr. Gautam Kumar Das out of which 187,500 stock options have vested on him of which 187,500 stock options have been exercised. The remaining 62, 500 Shares were duly exercised by him.

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

During the year 2016-17, 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 March 31, 2017, 4 (Four) Meetings were held. These meetings were held on May 14, 2016, August 12,2016, November 10, 2016 and February 10, 2017.

Sr. No.	Member	Chairperson/ Member	No. of meetings held	No. of meetings 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 Compliance Officer of the Company.

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

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

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

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

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 14, 2016 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 passed
2013-14	September 29, 2014 11.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	■ Revision in remuneration of Dr. Gautam Kumar Das, Joint Managing Director ■ Borrowing Limits of the Company ■ Creation of Charge/ Security over the assets of the Company
2014-15	September 24, 2015 10.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	■ To approve the related party transactions of the Company. ■ To approve the amendment to SSL ESOP Scheme-2010
2015-16	September 23, 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

Details of resolutions passed through Postal Ballot:

During the year ended March 31, 2017, the Company sought the approval of its members, through the postal ballot as mentioned below:

Date of Postal Ballot notice: February 3, 2017

Details of Voting Pattern:

Sr. No.	Item	No. of Valid Votes Polled	Votes Cast	
			For	Against
1.	Ordinary Resolution to approve divestment of Naari Pharma Private Limited, a subsidiary of the Company	66,317,031	66,316,767 (representing 99.99% of the total valid votes polled)	264 (representing 0.01% of the total valid votes polled)

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

Procedure for Postal Ballot:

- The Board of Directors vide resolution dated February 3, 2017 had appointed Mr. Nilesh Shah, practicing Company Secretary to act as the scrutinizer.
- The dispatch of the postal ballot Notice dated February 3, 2017 together with the Explanatory statement was completed on February 21, 2017 along with the forms and postage prepaid business envelopes to all the shareholders whose names appeared on the Register of Members/ List of beneficial owners as on February 10, 2017. The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.
- The voting for postal ballot was kept open from February 22, 2017 to March 23, 2017 for both physical and electronic mode.
- Particulars of postal Ballot forms received from the Members using electronic platform of NSDL were entered in a separate register maintained for the purpose.
- All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on March 23, 2017 were considered for scrutiny.

Postal Ballot forms received after the date had not been considered.

- The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the consolidated results of the voting by postal ballot, were then announced on March 24, 2017as per the Scrutinizer's Report. The results were displayed on the Company's website viz; www.sequent.in and were also being communicated to the stock exchanges, depositories and Registrar and Share Transfer Agent.

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 40 to the standalone financial statements in the Annual Report.

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

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

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

iv. The Company had appointed Price Waterhouse Coopers LLP, Chartered Accountants as internal auditors of the Company for the financial year 2016-17. The reports of internal auditors are placed before the Audit Committee on a quarterly basis and the risk assessment and mitigation recommendations forms part of their presentation to the Audit Committee.

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

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

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 cofirm that no personnel have been denied access to the Audit Committee.

vi. During the year ended March 31, 2017, 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 has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

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

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

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

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

8. APPOINTMENT/ RE- APPOINTMENT OF DIRECTOR

Dr. S Devendra Kumar

Dr. S Devendra Kumar, Director of the Company retires by rotation at this ensuing AGM and being eligible has offered himself for re-appointment at the AGM.

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

As on March 31, 2017, Dr. S Devendra Kumar holds NIL shares of the Company and has no outstanding stock options.

Dr. S. Devendra Kumar does not hold directorships and committee memberships in other listed entities.

Dr. S. Devendra Kumar is not related to any other director of the Company.

Details of Shareholding of Non-Executive Directors

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

Name	No. of shares held as at March 31, 2017
Dr. Gopakumar G Nair	116,740
Dr. Kausalya Santhanam	Nil
Mr. Narendra Mairpady	Nil
Dr. S. Devendra Kumar	Nil
Mr. K E C Raja Kumar	Nil

9. MEANS OF COMMUNICATION:

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

(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.

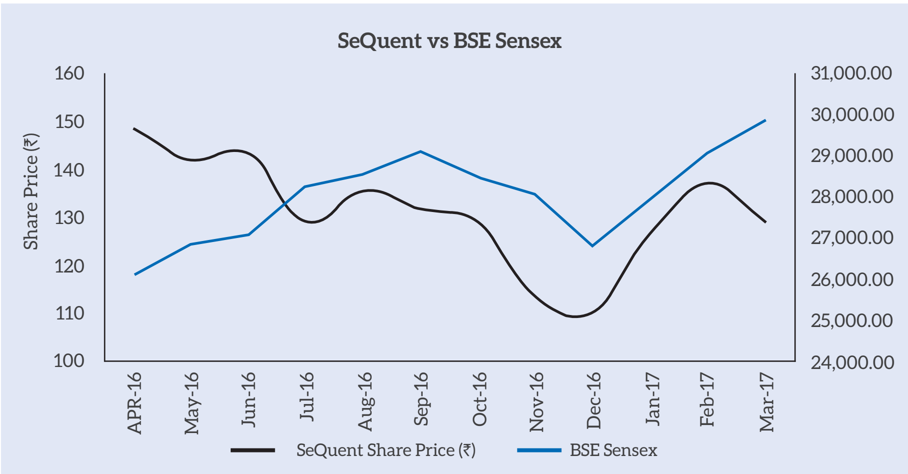
10. GENERAL SHAREHOLDER INFORMATION:

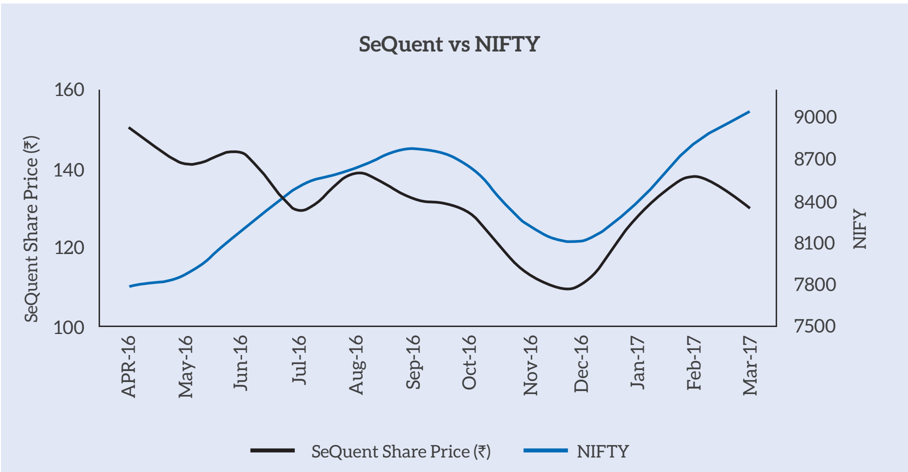
AGM: Date, Time and Venue	Tuesday, September 26, 2017, 11.30 a.m. Hotel Satkar Residency Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (West) - 400 606
Financial Year	April 1, 2016 to March 31, 2017
Dividend payment date	Not Applicable
Listing on Stock Exchanges	Stock Code : BSE: 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 2017 -18 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 Holon 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 authorized 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 2016-17)

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2016	175.80	147.50	176.50	145.25
May 2016	166.50	132.90	167.00	110.00
June 2016	154.00	132.95	152.80	131.00
July 2016	148.00	124.75	148.00	124.20
August 2016	147.90	108.00	147.00	106.30
September 2016	148.60	120.00	149.00	115.15
October 2016	134.00	121.35	134.75	121.40
November 2016	133.80	103.00	133.40	106.00
December 2016	115.00	102.00	115.05	106.05
January 2017	134.80	110.00	134.75	110.35
February 2017	150.55	121.15	152.20	121.10
March 2017	140.55	126.00	139.90	125.65

Performance in Share comparison to BSE and NSE Indices





Distribution Schedule as at March 31, 2017:

Slab of Shareholding	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
1-500	4781	67.01	791,078	1,582,156	0.32
501-1000	745	10.44	625,167	1,250,334	0.26
1001-2000	552	7.74	830,927	1,661,854	0.34
2001-3000	283	3.97	715,239	1,430,478	0.29
3001-4000	129	1.81	459,244	918,488	0.19
4001-5000	132	1.85	630,107	1,260,214	0.26
5001-10000	203	2.85	1,531,191	3,062,382	0.63
10001 & above	310	4.33	238,153,242	476,306,484	97.71
Total	**7,135**	**100.00**	**243,736,195**	**487,472,390**	**100.00**

Bifurcation of shares held in physical and demat as at March 31, 2017:

Particulars of Equity Shares	Equity Shares of ₹ 2 each	
	Number	% of Total
NSDL	225,656,689	92.58
CDSL	18,028,231	7.40
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 March 31, 2017:

Category	Number of shareholders	Number of shares held	% to total paid up capital
Promoters & Promoter Group Companies	25	139,502,830	57.24
Bodies Corporate	333	23,327,464	9.57
Banks / Mutual Funds/ Financial Institutions (FIs)	11	14,978,039	6.14
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	26	30,576,291	12.54
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	149	7,751,334	3.18
Resident Individuals	6586	25,398,997	10.42
Directors (Excluding promoter directors) & their relatives	3	408,740	0.17
Trusts	2	1,792,500	0.74
Others	Nil	Nil	Nil
TOTAL	**7,135**	**243,736,195**	**100.00**

Dematerialization of shares and liquidity:

The Company's shares are tradable compulsorily in dematerialized 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 March 31, 2017, 243,684,920 shares representing 99.98% of the paid-up share capital of the Company were held in dematerialized 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 March 25, 2008 and further modified by the Board in its meetings held on January 27, 2010 and May 28, 2014.

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

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

Details with respect to employee stock options under the ESOP 2010 as at March 31, 2017 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	35,45,000
2.	Total number of options granted under ESOP 2010 during the Year	3,45,000
3.	Options vested during the year	11,25,000
4.	Options exercised during the year	5,30,000
5.	Options lapsed or forfeited during the year	4,35,000
6.	Total number of options outstanding at the end of the year	29,25,000

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 LLP, 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

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

11. CODE OF CONDUCT

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

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

All Board Members and Senior Management personnel have confirmed compliance with the code for the year 2016 – 17.

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 2016-17.

Note: The information given herein above is as of March 31, 2017, unless otherwise stated.

For and on **behalf of the Board of Directors**
Sd/-
Mr. Manish Gupta
Managing Director and Chief Executive Officer

Thane
August 3, 2017

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 18, 2016.

2. We, Deloitte Haskins & Sell, 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 2017, 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.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by 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, 2017.

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. 200920)

Thane
August 3, 2017

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L99999MH1985PLC036685
2	Name of the Company	SeQuent Scientific Limited
3	Registered address	301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No.22, Wagle Industrial Estate, Thane west MH 400604 IN
4	Website	www.sequent.in
5	E-mail id	investors@sequent.in
6	Financial Year reported	April 1, 2016 to March 31, 2017
7	Sector(s) that the Company is engaged in (industrial activity code-wise) List three key	Pharmaceuticals- NIC code: 21001
8	products/services that the Company manufactures/provides (as in balance sheet)	Product portfolio includes APIs for animal and human health, Formulations for animal health and Analytical Services. In animal health APIs for key therapies such as antibiotics, beta agonists, NSAID, anti protozoal and feed additives. In human health our niche female healthcare focus across therapeutic categories like anabolic steroid, antiprogestin, androgen, progestin and progestogen
9	Total number of locations where business activity is undertaken by the Company: Number of International	9
9.1	Locations	Turkey, Sweden, Belgium, Netherlands, Spain, Mexico and Brazil.
9.2	Number of National Locations	■ Facilities located at Mangalore, Mysore, Mahad, Vizag, Tarapur and Ambernath ■ C&F Agents located at various locations throughout the country
10	Markets served by the Company Local/State/National/International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (FY 2016-17)

No.	Particulars	Company Information
1	Paid up Capital (₹)	487.47 million
2	Total Turnover (₹)	4,123.07 million
3	Total profit/ (loss) after taxes (₹)	(0.12) million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent monies towards CSR activities in the following areas Donations to Government school, Tree Plantations, Medical Health Checkup etc. However, the Company does not fall under the mandatory spending criteria prescribed under Section 134 of the Companies Act, 2013 1. Donation to Local Government school and Free Medical Camp, in association with JSS Hospital at Mysore 2. 90 Plantations outside factory premises. 3. 213, Tree Plantation at Birwadi Grampanchayat 4. Blood Donation by Emloyees 5. Awareness drive for world water day and Tree Plantation drive at Vizag.
5	List of activities in which expenditure in 4 above has been incurred	-

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   One of Comapany's wholly owned subsidiary Alivira Animal Health Limited participates in the BR initiatives of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
   Other entities do not directly participate in the BR initiatives of the Company.

SECTION D:BUSINESS RESPONSIBILITY (BR) INFORMATION

1. **Details of Director/Directors responsible for BR**

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	02808651
2	Name	Mr. Sharat Narasapur
3	Designation	Joint Managing Director

b. Details of BR head:

No.	Particulars	Details
1	DIN Number	02808651
2	Name	Mr. Sharat Narasapur
3	Designation	Joint Managing Director
4	Telephone number	+91 22 41114777
5	e-mail id	investors@sequent.in

2. **Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies**
   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

   Principle 1: Ethics, Transparency and Accountability [P1]

   Principle 2: Products Lifecycle Sustainability [P2]

   Principle 3: Employees' Well-being [P3]

   Principle 4: Stakeholder Engagement [P4]

   Principle 5: Human Rights [P5]

   Principle 6: Environment [P6]

   Principle 7: Policy Advocacy [P7]

   Principle 8: Inclusive Growth [P8]

   Principle 9: Customer Value [P9]

a. The response regarding the above 9 principles (P1 to P9) is given below

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	N	Y	Y	N	N	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	NA	Y	Y	NA	NA	NA
3	Does the policy conform to any national / international standards? If yes, specify?	Yes. The sprit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies.								
4	Has the policy being approved by the Board?	Y	Y	Y	N	Y	Y	N	N	N
	If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	N	Y	Y	N	N	N
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	N	Y	Y	N	N	N
6	Indicate the link for the policy to be viewed online?	The policies are made available in the internal portal of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies are communicated to internal stakeholders and are available on the internal network. Policies applicable to external stakeholders are available on the Company's website.								
8	Does the company have in-house structure to implement the policy/policies	Yes.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	N	Y	Y	N	N	N
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Being first year, the independent / audit evaluation is not done.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Wherever the policy is not avaialble, the company intends to roll out the same in the next one year.

3. Governance related to Business Responsibility (BR):

No.	Questions	Information
1	Frequency of review, by the BR Committee to assess the BR performance. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first Business Responsibilty Report of the Company and the Company would publish BRR annually. The same is part of the Annual Report available at http://www.sequent.in/

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Business with ethics evokes the feeling of trust in the minds of its stakeholders. At SeQuent Scientific Limited, we have always traversed the ethical growth path guided by a principled leadership team, robust governance mechanisms and transparent accounting platforms. This has helped us to boost shareholder trust, gain competitive advantage as well as remain responsible towards our employees, our communities and the environment.

Information with reference to BRR framework:

No.	Questions	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	The Code of Conduct of SeQuent provides guidelines on ethics, bribery and corruption. It is binding to all SeQuent Directors, officers and employees. However, the guidelines are communicated to most of our key associates like vendors, suppliers and it is expected that they will follow it while their interactions with the Company
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There was Nil investor grievances received during the past financial year.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

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

Information with reference to BRR framework:

No.	Questions	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	a. Sequzene Fonte - Antiprotozoail – To improve health of cow so that it generates more milk for human consumption b. Sequedium – Antiprotozoail – used for overall improvement of health c. Selevo oral - Anti infective To improve the animal health
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company has undertaken special efforts in the area of Sustainable Development. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce its products. Yes, we have stringent standard operating procedure in place to ensure sustainable sourcing. During the year 100% of the inputs were sourced sustainably.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company enters into Annual freight contracts with leading transporters to ensure seamless and sustainable movement of goods and services.

No.	Questions	Information
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company as of now is not procuring any goods and services from the local communities.
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company has always strived to reduce waste associated with its products. For instance in the operations of Mangalore plant the company has installed Reverse Osmosis (RO) in Effluent treatment Plant (ETP) as tertiary treatment facility to reduce the fresh water intake.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

The Company has Environment, Health & Safety (EHS) policy in place for protection of Environment, Health & Safety of Employees, The safety and health of employees is extremely important to the Company. To ensure establishment of safe working conditions in all areas, we have taken up activities, few of them are as follows:

- Monthly Safety Award is given for people who follow best Safety practices.
- My Area – Safe Area: Managers/Supervisors identify unsafe practices and unsafe conditions at workplace to make their areas as a Safe Areas.
- Safety Pause: Before starting any critical activity, safety pause is being followed to prevent a workplace injury.

We constantly work for the development of our people, we have initiated following programs towards building organisational capability:

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

The Company believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth. The Company is committed to build performance driven culture backed with reward recognition and career growth for talented employees.

Information with reference to BRR framework:

No.	Questions	Information
3.1	Please indicate the Total number of employees.	797
3.2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	426
3.3	Please indicate the Number of permanent women employees.	63
3.4	Please indicate the Number of permanent employees with disabilities	None
3.5	Do you have an employee association that is recognized by management?	Yes
3.6	What percentage of your permanent employees is members of this recognized employee association?	80.33%

3.7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Questions	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
3.7.1	Child labour/ forced labour/	Nil	Nil
3.7.2	Involuntary labour	Nil	Nil
3.7.3	Sexual harassment	Nil	Nil

3.8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

No.	Employee Categories	% trained on Safety & Skill up-gradation
a	Permanent employees	96%
b	Permanent women employees	96%
c	Contract employees	82%
d	Employees with disabilities	Not applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

Stakeholder engagement helps your Company in decision making, in strengthening relationships and succeeding in the business. The major stakeholders identified by SeQuent are Employees, Contract workers, Customers, Distributors, Stockists, Doctors, Patients, Healthcare Providers, Shareholders / Investor, Business Partners, Vendors/ Suppliers, Government Bodies etc.

Information with reference to BRR framework:

4.1 Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders into following categories:

Employees, Contract workers, Customers, Distributors, Stockists, Doctors, Patients, Healthcare Providers, Shareholders / Investor, Business Partners, Vendors/ Suppliers, Government Bodies etc.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

1. The Company has not identified any disadvantaged, vulnerable & marginalised stakeholders. However it supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes viz.,

   a. Donation to Local Government school and Free Medical Camp, in association with JSS Hospital at Mysore

   b. 90 Plantations outside factory premises.

   c. 213, Tree Plantation at Birwadi Grampanchayat

   d. Blood Donation by Emloyees

   e. Awareness drive for world water day and Tree Plantation drive at Vizag.

4.3 AAre there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

No,

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Human rights are fundamental rights and we adhere to this principle in the most earnest spirit. Confirming our commitment is our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment, and applies across our operations.

The Company respects and promotes human rights for all individuals and a formal policy will be rolled out in the coming financial year.

Information with reference to BRR framework:

No.	Questions	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?	NA
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	None

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Clean air, fresh water, rich biodiversity and abundant natural resources are imperative to human health and well-being. At SeQuent we are aware of the environmental challenges that resource depletion pose and are converting them into business opportunities by taking systematic conservation measures. Reducing our dependence on scarce resources is not only easing the pressure on the planet but also improving our operational cost.

We have a robust Environment, Health & Safety (EHS) policy and our employees are encouraged to practice this philosophy. The teams remain vigilant to spot potential environmental perils and develop pertinent steps to address those risks.

The key environmental initiatives taken by SeQuent during the last financial year are:

a. Reduction of carbon footprint:

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

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

b. Water Recycling:

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.

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

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

c. **Reducing energy consumption through adopting Energy Efficiency measures**

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.

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

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.

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

Variable Frequency Drive ("VFD") provided for the Utility pumps (cooling tower, chilling & Brine water) with a PT controller, which alters the pumps RPM based on the pipe line pressure. This reduces the electrical consumption.

Information with reference to BRR framework:

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Many facets of environment protection are embedded in the company's operations as also in its products. The policy is applicable to the Companies operating subsidiaries, including Alivira Animal Health Limited.

6.2 **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. Initiatives taken during April 2016 - March 2017

1. Replaced coal with biomass fuel (Briquettes) in boiler at our Visakhapatnam facility.

2. Commissioned Zero Liquid Discharge Facility at our Mahad & Mangalore facilities to reduce water consumption and waste water generation.

3. Around 2000 saplings planted across the sites and nearby schools and public places.

4. Purchased equipment that contains non-ozone depleting substances.

5. At our Mangalore facility, erected a new boiler that uses biomass briquettes for steam generation replacing boiler which uses furnace oil thereby reducing greenhouse gas & SO2 emissions.

6.3 Does the company identify and assess potential environmental risks?

Yes. Identification and Assessment of potential Environmental risks being carried out by Aspect and Impact Register as per ISO 14001 standards , at Mangalore plant (Environmental Management Systems).

6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes.

Replaced coal with biomass fuel (Briquettes) in boiler at Alivira Animal Health Limited. Biomass fuel (Briquettes) being used in Boiler at Mahad, Mysore and Mangalore sites. Usage of briquettes led to reduction in carbon dioxide and sulphur dioxide emissions into the atmosphere.

6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, we have also taken measures for clean technology, energy efficiency & renewable energy as mentioned below:

- Plant, canteen, office, & street lights are replaced with LEDs, reduces the power compared to conventional lighting system.
- Introduction of solar power system for street lights, reduce the power consumption.
- Installation of temperature controller on the hot water system which will cut off the steam supply after the hot water reaches the pre-set temperature. This will reduce the steam consumption.
- Temperature controller installed in the centralised Air conditioning system installed at Administration Building to lock the minimum temperature at 23 Deg. C and pre-start and stop programming. This will reduce the electrical consumption.

6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/ waste generated by the Company are within the permissible limits given by CPCB/SPCB and are reported on periodic basis.

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

The Company has representation in various industry and trade associations. Some of the trade/business associations where SeQuent is a member are listed below.

a. Thane Manufacturing Association

b. Thane Small scale Association

c. Chamber of Commerce

d. Member of Chemaxil

e. Member of CETP for Tarapur, Mahad, Ambarnath

f. Bulk Drug Manufacturing Association, Hyderabad

g. Mahad Manufacturing Association

h. Tarapur Industrial Manufacturing Association

The Company hasn't advocated/lobbied through above associations for the advancement or improvement of public good.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has CSR Policy in place. The CSR programmes are clearly mentioned in the CSR policy which has been posted on our website. 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. The company's CSR committee regularly reviews corporate social responsibility strategy, procedures and commitments.

Company during the period F.y. 2016 -17 has spent on the following activities across its plants :-

a. Donation to Local Government school and Free Medical Camp, in association with JSS Hospital at Mysore

b. 90 Plantations outside factory premises.

c. 213, Tree Plantation at Birwadi Grampanchayat

d. Blood Donation by Emloyees

e. Awareness drive for world water day and Tree Plantation drive at Vizag.

Information with reference to BRR framework:

No.	Questions	Information
8.1	Does the company have specified Programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Company's CSR policy lays down the guidelines and mechanism for undertaking socially useful Programs for welfare & sustainable development of the community at large and is titled 'CSR Policy of SeQuent Scientific Limited and its subsidiaries/associates'.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The CSR programs of the Company are undertaken either through direct spending through in house team or through partnerships with verified external NGO partners/ implementing agencies.
8.3	Have you done any impact assessment of your initiative?	No
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	₹ 0.727 Million Company has spent voluntarily on the following activities – a. Donation to Local Government school and Free Medical Camp, in association with JSS Hospital at Mysore b. 90 Plantations outside factory premises. c. 213, Tree Plantation at Birwadi Grampanchayat d. Blood Donation by Emloyees e. Awareness drive for world water day and Tree Plantation drive at Vizag. However, the Company does not meet the required criteria under section 134 of Companies Act, 2013.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require our intervention through a stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and is accepted and adopted by the key stakeholders.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

We believe in offering more value for our customers, in more ways than one. Our customer centricity approach encompasses a gamut of propositions:

- Delivering affordable products and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective and easy to use products
- Soliciting customers feedback, insights and timely addressing their issues

Information with reference to BRR framework:

No.	Questions	Information
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Nil
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes, the Company adheres to all applicable laws and regulations on product labelling. It displays all the Product details like the date of manufacturing, date of expiry, Place of Manufacture, Dosage, Health & Safety Instructions and the Company Logo.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company's Mangalore site has a customer feedback form which we get our customers to fill in. The Feedback received from customers is used to improve the Company's processes, products and services.

FINANCIAL STATEMENTS

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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 31st March, 2017, 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, 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, to the extent applicable that:

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

   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 as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.

      iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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, 23 May, 2017
SPK/JKS/2017

ANNEXURE "A"

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

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

We have audited the internal financial controls over financial reporting of Sequent Scientific Limited ("the Company") as of March 31, 2017 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 March 31, 2017, 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, 23 May, 2017
SPK/JKS/2017

ANNEXURE "B"

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

(i) In respect of its fixed assets:

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the Company based on the pledge documents.

(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 CARO 2016 is not applicable to the company.

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2006-07	1.25 #
Income-tax Act, 1961	Income-tax	Commissioner Income Tax-(Appeals)-Mumbai	A.Y. 2007-08	3.99
Gujarat Value Added Tax	Value Added Tax	Gujarat Value Added Tax Tribunal	F.Y. 2006-07	0.07
Central Excise Act, 1944	Excise duty	The Customs, Excise and Service Tax Appellate Tribunal(CESTAT)	F.Y. 2011-12	0.12
Finance Act, 1944	Service Tax	Commissioner of Central Excise and Service (Appeals)	F.Y. 2008-09 to F.Y. 2010-11	1.16
Finance Act, 1944	Service Tax	Commissioner of Central Excise and Service (Appeals)	F.Y. 2012-13	6.31 *

Net of ₹ 1.00 million paid under protest
* Net of ₹ 0.46 million paid under protest

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of Initial public offer/ further public offer (including debt instruments) 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) According to the information and explanations given to us, the Company has made preferential allotment and private placement of equity shares during the year under review. In respect of the above issue, we further report that:

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

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its 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, 23 May, 2017
SPK/JKS/2017

BALANCE SHEET

as at 31 March 2017

(₹ in million)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
A ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3	1,740.16	1,589.31	1,727.82
(b) Capital work-in-progress	3	11.27	181.42	63.69
(c) Investment property	4	61.85	62.89	63.93
(d) Other intangible assets	5	76.51	106.70	126.44
(e) Intangible assets under development	5	311.35	18.27	25.56
(f) Financial assets				
(i) Investments				
(a) Investments in subsidiaries	6	4,646.51	4,680.04	1,250.76
(b) Other investments	6	3,638.91	3,605.79	1,498.78
(ii) Other financial assets	7	20.26	27.17	26.96
(g) Deferred tax assets(Net)	8	45.75	45.75	46.44
(h) Other non-current assets	9	267.30	152.26	145.43
Total non-current assets		**10,819.87**	**10,469.60**	**4,975.81**
2. Current assets				
(a) Inventories	10	625.34	561.90	668.84
(b) Financial assets				
(i) Investments	11	622.78	622.89	1.72
(ii) Trade receivables	12	1,130.30	737.46	1,004.09
(iii) Cash and cash equivalents	13	11.86	11.01	206.14
(iv) Bank balances other than (iii) above	14	18.71	36.96	67.78
(v) Loans	15	828.90	623.36	8.18
(vi) Other financial assets	16	51.79	19.73	19.54
(c) Other current assets	17	325.31	257.43	315.96
		3,614.99	**2,870.74**	**2,292.25**
Asset classified as held for sale	18	68.50	143.97	150.00
Total current assets		**3,683.49**	**3,014.71**	**2,442.25**
Total assets		**14,503.36**	**13,484.31**	**7,418.06**
B EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	19	487.47	476.47	304.85
(b) Other equity	20	12,085.83	11,582.38	2,183.89
Total equity		**12,573.30**	**12,058.85**	**2,488.74**
II Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	139.76	238.19	548.81
(b) Provisions	22	103.23	88.36	89.70
Total non-current liabilities		**242.99**	**326.55**	**638.51**
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	632.24	150.41	2,702.90
(ii) Trade payables	24	699.57	736.44	698.11
(iii) Other financial liabilities	25	313.07	185.12	854.93
(b) Other current liabilities	26	39.81	23.37	29.79
(c) Provisions	27	2.38	3.57	5.08
Total current liabilities		**1,687.07**	**1,098.91**	**4,290.81**
Total liabilities		**1,930.06**	**1,425.46**	**4,929.32**
Total equity and liabilities		**14,503.36**	**13,484.31**	**7,418.06**
See accompanying notes to the financial statements				

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

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

Sathya P. Koushik
Partner

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(₹ in million)

		Notes	Year ended 31 March 2017	Year ended 31 March 2016
I	Revenue from operations	28	3,922.13	4,086.71
II	Other income	29	200.94	155.53
III	**Total Income (I+II)**		**4,123.07**	**4,242.24**
IV	**Expenses**			
	(a) Cost of materials consumed	30.a	1,953.65	1,529.31
	(b) Purchases of stock in trade	30.b	316.18	541.47
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30.c	(91.23)	117.24
	(d) Excise duty on sale of goods		138.18	140.82
	(e) Employee benefits expense	31	422.32	388.40
	(f) Finance costs	32	83.60	164.42
	(g) Depreciation and amortisation expense	33	251.68	241.80
	(h) Other expenses	34	1,048.81	1,014.22
	Total expenses (IV)		**4,123.19**	**4,137.68**
V	**Profit/(Loss) before tax (III-IV)**		**(0.12)**	**104.56**
VI	**Tax expense**			
	(1) Current tax		-	-
	(2) Deferred tax	36	-	0.69
			-	**0.69**
VII	**Profit/(Loss) for the year (V-VI)**		**(0.12)**	**103.87**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefits plans	20	0.70	6.95
	(b) Fair value gain / (loss) from investment in equity instruments	20	33.91	1,520.87
	Total other comprehensive income		**34.61**	**1,527.82**
IX	**Total comprehensive income for the year (VII+VIII)**		**34.49**	**1,631.69**
	Earnings per equity share:			
	(1) Basic (in ₹)	35	(0.00)	0.50
	(2) Diluted (in ₹)	35	(0.00)	0.49
	See accompanying notes to the financial statements			

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

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

Sathya P. Koushik
Partner

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

(₹ in million)

		As at 31 March 2017	As at 31 March 2016
Cash flows from operating activities			
Profit / (loss) before tax		(0.12)	104.56
Adjustments for:			
Depreciation and amortisation		251.68	241.80
Bad trade receivables written off		4.09	7.15
Bad loans and advances written off		-	1.59
Provision for doubtful trade receivables		1.10	1.00
Unrealised forex loss/(gain) (net)		9.60	11.94
Finance cost		83.60	164.42
Dividend income		(16.59)	(10.60)
Interest income		(104.02)	(60.83)
Loss on sale of property plant and equipment (net)		-	6.14
Share-based payments to employees		44.75	55.54
Liabilities /provision no longer required written back		(16.36)	(13.26)
Rental income		(10.68)	(10.53)
Corporate guarantee commission		(5.16)	(3.21)
Net gain / (loss) on financial instruments measured at fair value through profit or loss		(38.97)	(55.40)
Operating profit before working capital changes		**202.92**	**440.31**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		(492.24)	334.35
(Increase)/decrease in inventories		(63.44)	106.94
Increase/(decrease) in trade payables, other payables and provisions		107.71	102.46
Increase/(decrease) margin money and unpaid dividend accounts		18.25	25.41
Net change in working capital		**(429.72)**	**569.16**
Cash generated from operations		**(226.80)**	**1,009.47**
Direct taxes (paid)/refund		(13.63)	(9.29)
Net cash generated from operating activities	A	**(240.43)**	**1,000.18**
Cash flows from investing activities			
Capital expenditure on fixed assets, including capital advances		(449.53)	(248.17)
Proceeds from sale of fixed assets		-	6.29
Investment in subsidiaries		-	(1,668.52)
Purchase of current investment		(590.34)	(1,435.00)
Proceeds from sale of current investments		630.21	868.85
Investment in equity instruments (including warrants) of other entities		-	(585.75)
Loan given to related parties		(190.04)	(614.97)
Interest received		104.00	62.08
Dividend received		16.59	10.60
Rental income		10.68	10.53
Net cash generated from investing activities	B	**(468.43)**	**(3,594.06)**

STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

(₹ in million)

		As at 31 March 2017	As at 31 March 2016
Cash flows from financing activities			
Proceeds/(repayment) from short-term borrowings (net)		481.83	(2,552.49)
Proceeds from long-term borrowings		-	45.01
Repayment of long-term borrowings		(98.90)	(334.76)
Proceeds from issue of shares		405.43	5,400.11
Proceeds from issue of warrants		-	130.63
Share issue expenses		-	(48.67)
Interest and other borrowing cost paid (including borrowing cost capitalised ₹ 5.05 million) (31 March 2016 ₹ 0.72 million) (Refer note 3)		(78.66)	(166.08)
Net cash generated from financing activities	C	**709.70**	**2,473.75**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	**0.85**	**(120.13)**
Cash and cash equivalents at the beginning of the year (Refer note 13)		11.01	131.14
Cash and cash equivalents at the end of the year (Refer note 13)		**11.86**	**11.01**
See accompanying notes to the financial statements			

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

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

Sathya P. Koushik
Partner

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended 31 March 2017

(a) Equity share capital

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	47,647,239	476.47	30,485,191	304.85	30,485,191	304.85
Changes in equity share capital during the year	5,500,000	11.00	17,162,048	171.62	-	-
Balance at the end of the reporting period	53,147,239	487.47	**47,647,239**	**476.47**	**30,485,191**	**304.85**

(b) Other equity

(₹ in million)

	Reserves & Surplus (Note 20)						Items of Other comprehensive income (Note 20)		Money received against share warrants (Note 20)	Total
	Capital Reserve	Securities Premium Account	Employees Stock Options Outstanding	General Reserve	Treasury Reserve	Retained Earnings	Fair Value of Equity Instruments	Remeasurements of the defined benefit Plans		
Balance at 01 April 2015	10.65	1,730.04	60.63	144.44	(65.82)	(896.44)	919.35	(7.04)	288.08	2,183.89
Profit for the year	-	-	-	-	-	103.87	-	-	-	103.87
Other comprehensive income for the year	-	-	-	-	-	-	1,520.87	6.95	-	1,527.82
Total Comprehensive income for the year	10.65	1,730.04	60.63	144.44	(65.82)	(792.57)	2,440.22	(0.09)	288.08	3,815.58
Recognition of share-based payments	-	-	49.23	-	-	-	-	-	-	49.23
Issue of Share against warrants	-	-	-	-	-	-	-	-	(157.45)	(157.45)
ESOP trust consolidated	-	-	-	-	13.39	(0.05)	-	-	-	13.34
Premium on shares issued during the year	-	7,908.05	-	-	-	-	-	-	-	7,908.05
Utilised during the year for writing off shares issue expenses	-	(46.37)	-	-	-	-	-	-	-	(46.37)
Balance at 31 March 2016	10.65	9,591.72	109.86	144.44	(52.43)	(792.62)	2,440.22	(0.09)	130.63	11,582.38
Profit / (loss) for the year	-	-	-	-	-	(0.12)	-	-	-	(0.12)
Other comprehensive income for the year	-	-	-	-	-	-	33.91	0.70	-	34.61
Total Comprehensive income for the year	10.65	9,591.72	109.86	144.44	(52.43)	(792.74)	2,474.13	0.61	130.63	11,616.87
Recognition of share-based payments	-	-	45.64	-	-	-	-	-	-	45.64
Premium on shares issued during the year	-	538.93	-	-	-	-	-	-	-	538.93
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)	(792.74)	2,474.13	0.61	-	12,085.83

See accompanying notes to the financial statements

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

Sathya P. Koushik
Partner

Thane, 23 May 2017

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

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

NOTES

to the standalone financial statements for the year ended 31 March 2017

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), Human Health (APIs) 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.

Upto the year ended 31 March 2016 , the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2015. Refer note 49 for the details of first-time adoption exemptions availed by the Company.

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.

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to the standalone financial statements for the year ended 31 March 2017

(iv) Foreign currency transactions and translation

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

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

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

(v) Borrowing costs

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

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

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

(vi) Employee Benefits

a) Defined benefit plans

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

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

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

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

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

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

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

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

(vii) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

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, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

b) Deferred tax

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

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

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to the standalone financial statements for the year ended 31 March 2017

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
Buildings	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 and process development	5
Acquired software	3

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.

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.

(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.

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to the standalone financial statements for the year ended 31 March 2017

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on first in first out basis as follows:

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

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

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

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.

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

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

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

(b) The asset's contractual cash flow represent SPPI

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

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

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

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

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

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

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

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

(v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset

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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 'other income'.

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

(xv) Impairment

a) Financial assets

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

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

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

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

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

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

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

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

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

Financial assets measured at amortised cost, contractual revenue 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 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.

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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. The Company prepares consolidated financial statements and segment information is disclosed in consolidated financial statements.

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 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.

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

Amendment to Ind AS 7 - Statement of cash flows

The amendment to Ind AS 7-Statement of cash flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102 - Share-based payments

The amendment to Ind AS 102-Share-based payments provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company has evaluated the requirements of the amendment and there is no impact on the financial statements.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS			
Carrying Amounts of			
Freehold land	384.34	384.34	384.34
Buildings	584.91	447.68	458.23
Furniture and fixtures	12.39	8.86	9.36
Office equipments	5.87	3.62	4.35
Computers	4.45	3.51	3.43
Plant and machinery	746.23	738.63	865.32
Vehicles	1.97	2.67	2.79
	1,740.16	1,589.31	1,727.82
Capital work-in-progress	11.27	181.42	63.69
Total	1,757.43	1,770.73	1,791.51

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(₹ in million)

	Freehold land	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Cost or deemed cost								
Balance as on 01 April 2015	384.34	458.23	9.36	4.35	3.43	865.32	2.79	1,727.82
Additions	-	12.28	1.53	0.77	1.95	40.59	0.68	57.80
Effect of foreign currency exchange differences	-	0.27	0.02	0.01	0.01	1.29	0.01	1.61
Borrowing cost capitalised	-	0.13	-	-	-	0.59	-	0.72
Deletions	-	-	0.11	0.01	-	20.42	0.50	21.04
Balance as on 31 March 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 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**

(₹ in million)

	Freehold land	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Accumulated depreciation								
Balance as on 01 April 2015	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	23.23	1.96	1.50	1.88	156.93	0.71	186.21
Deletions	-	-	0.02	-	-	8.19	0.40	8.61
Balance as on 31 March 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**

(₹ in million)

	Freehold land	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Carrying amount								
Balance as on 01 April 2015	384.34	458.23	9.36	4.35	3.43	865.32	2.79	1,727.82
Balance as on 31 March 2016	384.34	447.68	8.86	3.62	3.51	738.63	2.67	1,589.31
Balance as on 31 March 2017	384.34	584.91	12.39	5.87	4.45	746.23	1.97	1,740.16

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to the standalone financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4 INVESTMENT PROPERTY			
Carrying Amounts of			
Investment property	61.85	62.89	63.93
	61.85	62.89	63.93

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
Cost or deemed cost		
Balance as on beginning of year	63.93	63.93
Additions	-	-
Balance as on end of year	63.93	63.93

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
Accumulated depreciation		
Balance as on beginning of year	1.04	-
Depreciation expense for the year	1.04	1.04
Balance as on end of year	2.08	1.04

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
Carrying amount		
Balance as on beginning of year	62.89	63.93
Depreciation expense for the year	1.04	1.04
Balance as on end of year	61.85	62.89

4.1 Fair value of the Company's investment property

The fair value of the Company's investment property as at 31 March 2017, 31 March 2016, and 01 April 2015 were ₹ 84.69 million, ₹ 87.72 million and ₹ 90.75 million respectively.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 OTHER INTANGIBLE ASSETS			
Carrying Amounts of			
Product process development	69.00	104.68	124.67
Acquired software	7.51	2.02	1.77
	76.51	106.70	126.44
Intangible assets under development	311.35	18.27	25.56
Total	387.86	124.97	152.00

(₹ in million)

	Product process development	Acquired software	Total
Cost or deemed cost			
Balance as on 01 April 2015	124.67	1.77	126.44
Additions	35.29	1.36	36.65
Balance as on 31 March 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

(₹ in million)

	Product process development	Acquired software	Total
Accumulated amortisation			
Balance as on 01 April 2015	-	-	-
Amortisation expense	55.28	1.11	56.39
Balance as on 31 March 2016	55.28	1.11	56.39
Amortisation expense	58.81	4.48	63.29
Balance as on 31 March 2017	114.09	5.59	119.68

(₹ in million)

	Product process development	Acquired software	Total
Carrying amount			
Balance as on 01 April 2015	124.67	1.77	126.44
Balance as on 31 March 2016	104.68	2.02	106.70
Balance as on 31 March 2017	69.00	7.51	76.51

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(₹ in million)

		Face Value	No. of shares	As at 31 March 2017	No. of shares	As at 31 March 2016	No. of shares	As at 01 April 2015
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 Ltd	₹10.00	41,406,274	4,346.23	41,406,274	4,311.28	2,74,50,000	950.50
ii)	Naari Pharma (P) Ltd (Formely known as Indo Phyto Chemicals Pvt Ltd)	₹10.00	-	-	260,400	68.50	-	-
iii)	SeQuent Research Limited	₹10.00	4,410,000	142.09	4,410,000	142.09	4,410,000	142.09
iv)	SeQuent Antibiotics Private Limited	₹10.00	10,000	0.10	10,000	0.10	10,000	0.10
v)	SeQuent Pharmaceuticals Private Limited	₹10.00	9,999	0.10	9,999	0.10	9,999	0.10
vi)	SeQuent Penems Private Limited	₹10.00	4,038,326	201.42	4,038,326	201.40	4,038,326	201.40
	Less: Provision for other than temporary diminution in value			43.43		43.43		43.43
				157.99		157.97		157.97
vii)	SeQuent Global Holdings Limited	$1.00	185,108	9.08	185,108	9.08	185,108	9.08
	Less: Provision for other than temporary diminution in value			9.08		9.08		9.08
				-		-		-
viii)	Galenica B.V.	€ 1.00	47,935	4.92	47,935	4.92	47,935	4.92
	Less: Provision for other than temporary diminution in value			4.92		4.92		4.92
				-		-		-
ix)	Elysian Life Sciences Private Limited	₹ 10.00	10,000	0.10	10,000	0.10	10,000	0.10
	Less: Provision for other than temporary diminution in value			0.10		0.10		0.10
				-		-		-
x)	Elysian Life Sciences Mauritius Limited	$1.00	1,016,000	63.97	1,016,000	63.97	1,016,000	63.97
	Less: Provision for other than temporary diminution in value			63.97		63.97		63.97
				-		-		-
				4,646.51		4,680.04		1,250.76
B	**Other Investment**							
a	**Quoted equity instruments carried at fair value through other comprehensive income**							
i)	Strides Shasun Limited (Refer note (a) below)	₹10.00	3,312,500	3,638.78	3,312,500	3,605.66	3,500,000	1,303.40
ii)	Shasun Pharmaceuticals Limited (Refer note (b) below)			-		-		195.25
				3,638.78		3,605.66		1,498.65
b	**Unquoted equity instruments carried at cost**							
i)	Ambarnath Chemical Manufacturers	₹10.00	1,000	0.01	1,000	0.01	1,000	0.01
ii)	Tarapur Industrial Manufacturers	₹10.00	2,000	0.04	2,000	0.04	2,000	0.04
iii)	Panoli Enviro Tech Ltd.	₹10.00	-	-	-	-	23,700	-
				0.05		0.05		0.05
c	**Investment in government securities carried at amortised cost**							
i)	National Saving Certificate	-	-	0.02	-	0.02	-	0.02
ii)	NSC VIII Issue - Tarapur	-	-	0.06	-	0.06	-	0.06
				0.08		0.08		0.08
				3,638.91		3,605.79		1,498.78
	Total (A + B)			8,285.42		8,285.83		2,749.54
	Aggregate carrying value of unquoted investments			4,768.14		4,801.66		1,567.64
	Aggregate market value of quoted investments			3,638.78		3,605.66		1,498.65
	Aggregate amount of impairment in value of investments			121.50		121.50		121.50

Notes:

(a) During 2015-16, the Company converted 7,100,000 warrants of Shasun Pharmaceuticals Limited to equal number of equity shares of ₹ 2 each. With this conversion, the Company had 10,600,000 equity shares of Shasun Pharmaceuticals Limited. Subsequently, pursuant to scheme of amalgamation between Strides Arcolab Limited and Shasun Pharmaceuticals Limited, the Company has received 3,312,500 equity shares of ₹ 10 each in the amalgamated entity (Strides Shasun Limited) in lieu of 10,600,000 shares of Shasun Pharmaceuticals Limited.

(b) Quoted investment in equity instruments of other entities includes ₹ Nil (31 March 2016: ₹ Nil) (01 April 2015: ₹ 195.25 million) investment made in Shasun Pharmaceuticals Limited towards 25% of amount paid for subscription of 7,100,000 of warrants at a price of ₹ 110 per warrant. Each warrant is convertible into one equity share of face value of ₹ 2 each on payment of balance subscription amount of ₹ 585.75 million on or before 28 November 2015. The Company has converted the warrants to equivalent number of equity shares during 2015-16.

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(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
7 OTHER NON-CURRENT FINANCIAL ASSETS			
Security deposits	20.26	19.49	19.28
Security deposits to related parties	-	2.27	2.27
Margin money deposits	-	5.41	5.41
Total	**20.26**	**27.17**	**26.96**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8 DEFERRED TAX ASSETS (NET) (REFER NOTE 36)			
Deferred tax liability			
- Depreciation	(97.90)	(185.94)	(103.62)
Total deferred tax liability (B)	**(97.90)**	**(185.94)**	**(103.62)**
Deferred tax assets			
- Disallowances relating to employee benefits	32.62	55.75	28.16
- Unabsorbed depreciation and carried forward of losses	65.28	113.73	67.14
- Others	-	16.46	9.01
Total deferred tax assets (A)	**97.90**	**185.94**	**104.31**
Net deferred tax asset (A) - (B)	**-**	**-**	**0.69**
MAT Credit Entitlement	45.75	45.75	45.75
Total	**45.75**	**45.75**	**46.44**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9 OTHER NON-CURRENT ASSETS			
Capital advances	5.10	11.84	2.80
Security deposit with government	1.40	9.79	21.54
Advance income tax (net of provisions ₹ 157.20 million) (As at 31 March 2016 ₹ 111.70 million and as at 01 April 2015 ₹ 111.70 million)	55.62	41.99	31.30
Prepaid expenses	205.18	88.64	89.79
Total	**267.30**	**152.26**	**145.43**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
10 INVENTORIES			
(At lower of cost and net realisable value)			
Raw materials and packing materials	212.96	152.94	180.98
Goods-in transit	-	88.50	47.02
	212.96	**241.44**	**228.00**
Work-in-progress and intermediates (Refer note (i) below)	243.88	180.53	201.56
Finished goods	165.42	137.54	232.77
Goods-in transit	-	-	0.98
	165.42	**137.54**	**233.75**
Fuel	3.08	2.39	5.53
Total	**625.34**	**561.90**	**668.84**

Note:

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
(i) Details of inventory of work-in-progress and intermediates:			
Bulk drugs	243.88	180.53	201.56
Total	243.88	180.53	201.56

(₹ in million)

		Face value	No. of shares / units	As at 31 March 2017	No. of shares / units	As at 31 March 2016	No. of shares / units	As at 01 April 2015
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	0.04	36,250	0.10	36,250	0.09
ii)	Transchem Limited	₹10.00	32,500	0.73	32,500	0.57	32,500	0.73
iii)	Techindia Nirman Limited	₹10.00	18,270	0.09	18,270	0.06	18,270	0.06
iv)	Nath Bio Genes (I) Limited	₹10.00	6,930	1.03	6,930	0.56	6,930	0.80
v)	Agritech (India) Limited	₹10.00	6,300	0.24	6,300	0.05	6,300	0.04
				2.13		1.34		1.72
B	**Other Unquoted equity instruments (fully paid up) carried at amortised cost**							
i)	Aditya Investment & Communication Limited	₹10.00	58,800	-	58,800	-	58,800	-
				-		-		-
C	**Unquoted mutual funds carried at fair value through profit or loss**							
i)	Reliance Short-Term Fund - Growth Plan - Growth Option		-	-	7,117,557	201.27	-	-
ii)	Reliance Liquid Fund - Treasury Plan - Daily Dividend Option		88,319	135.02	-	-	-	-
iii)	Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		2,129	8.42	-	-	-	-
iv)	Tata Short-Term Bond Fund- Regular Plan- Growth		-	-	3,778,219	106.40	-	-
v)	Birla Sun Life Savings Fund - Growth- Regular Plan		232,888	209.24	363,772	106.54	-	-
vi)	UTI Short-Term Income Fund - Institutional Option- Growth		11,224,894	223.81	9,673,710	175.74	-	-
vii)	DSP Blackrock Short-Term Fund-Regular Plan- Growth		-	-	1,229,725	31.60	-	-
viii)	IDFC Corporate Bond Fund		13,656,142	44.16	-	-	-	-
				620.65		**621.55**		**-**
	Total current investments (A + B + C)			**622.78**		**622.89**		**1.72**
	Aggregate market value of quoted equity investments			2.13		1.34		1.72
	Aggregate carrying value of unquoted equity investments			-		-		-
	Aggregate net asset value of investment in mutual funds			620.65		621.55		-

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(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
12 TRADE RECEIVABLES			
Unsecured, considered good	1,130.30	737.46	1,004.09
Unsecured, considered doubtful	24.44	23.34	23.90
	1,154.74	760.80	1,027.99
Less: Allowance for doubtful debts	24.44	23.34	23.90
Total	1,130.30	737.46	1,004.09

Note:

During the year, the company discounted trade receivables with an aggregate carrying amount of ₹ 76.94 million 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.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
13 CASH AND CASH EQUIVALENTS			
Balances with banks			
- In current accounts (Refer note (i) below)	11.41	10.62	205.50
- In EEFC accounts	-	0.07	0.21
Cash on hand	0.45	0.32	0.43
Total	11.86	11.01	206.14

Notes:

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
(I) Balance with banks in current account includes ₹ Nil (31 March 2016 - ₹ Nil, 01 April 2015 ₹ 75.00 million) which has restriction on utilisation of fund for capital projects.	-	-	75.00
Cash and cash equivalents as defined in Ind AS 7-Statements of cash flows.	11.86	11.01	131.14

(ii) Please refer note 45 for details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016.

(iii)During the previous year, the Company entered into the following non cash investing and financing activity which are not reflected in the statement of cash flows:

-issued on a preferential basis to the promoter group entities and non- promoter group entities 757,734 and 2,827,679 equity shares of ₹ 2 each respectively at a price of ₹ 669.10 per share towards additional investments made in Alivira Animal Health Limited.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
14 BANK BALANCES OTHER THAN (NOTE 13) ABOVE			
In earmarked accounts			
- Unpaid dividend accounts	0.10	0.10	0.11
- Margin money deposits (Refer note (i) below)	18.61	36.86	67.67
Total	18.71	36.96	67.78

Note:

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

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
15 CURRENT LOANS			
Unsecured, considered good			
Loans to related parties (Refer note 40)	828.65	622.93	7.96
Loans to employees	0.25	0.32	0.12
Loans to others	-	0.11	0.10
	828.90	623.36	8.18
Unsecured, considered doubtful			
Loans to related parties (Refer note 40)	247.50	263.18	263.18
Loans to others	9.61	9.61	9.61
	257.11	272.79	272.79
Less: Allowance for doubtful advances	257.11	272.79	272.79
	-	-	-
Total	828.90	623.36	8.18

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
16 OTHER CURRENT FINANCIAL ASSETS			
Claims receivable	39.23	15.25	5.84
Security deposit	5.12	-	-
Derivative instrument (fair value)	5.64	1.15	0.38
Due from related parties	-	1.55	10.29
Interest accrued on fixed deposits	1.80	1.78	3.03
	51.79	19.73	19.54

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
17 OTHER CURRENT ASSETS			
Advance to suppliers	45.11	12.80	16.13
Balances with government authorities	267.67	227.61	278.31
Prepaid expenses	12.53	17.02	21.52
Total	325.31	257.43	315.96

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
18 ASSETS CLASSIFIED AS HELD FOR SALE			
Investment in Naari Pharma (P) Ltd (Formerly known as Indo Phyto Chemicals Pvt Ltd)	68.50	-	-
Leasehold land and building	-	143.97	150.00
Total	68.50	143.97	150.00

Note: Pursuant to the approval of Board of Directors of the Company and shareholders received vide postal ballot dated 24 March 2017 for the divestment of woman healthcare business, the Company has entered into a definitive agreement for sale of subsidiary (Naari Pharma Private Limited) with Tenshi Life Science Private Limited and accordingly as on 31 March 2017 the investment in the subsidiary has been classified as held for sale, pending completion of certain conditions precedent and other customary closing conditions. In respect of the assets held for sale as at 31 March 2016, the Company intended not to dispose the same and hence the said assets are reclassified to respective assets group.

(₹ in million)

		No. of Shares	As at 31 March 2017	No. of Shares	As at 31 March 2016	No. of Shares	As at 01 April 2015
19 SHARE CAPITAL							
(a)	**Authorised**						
	Equity shares of ₹ 2 each (Refer note (iv) below)	250,000,000	500.00	250,000,000	500.00	50,000,000	500.00
(b)	**Issued and subscribed and fully paid-up**						
	Equity shares of ₹ 2 each (Refer note (iv) below)	243,736,195	487.47	238,236,195	476.47	30,485,191	304.85
	Total		487.47		476.47		304.85

NOTES

to the standalone financial statements for the year ended 31 March 2017

Notes:

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

(₹ in million)

	No. of Shares	Share capital
Fully paid equity shares		
Balance at 01 April 2015	30,485,191	304.85
Shares issued during the year	17,162,048	171.62
Balance at 31 March 2016	**47,647,239**	**476.47**
Shares outstanding at the end of the year face value ₹ 2 per share (01 April 2015 - ₹ 10 per share) (Refer note iv below)	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**

a **Conversion of warrants**

Current Year

Conversion of 5,500,000 warrants issued during 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.

Previous Year

1 Conversion of 2,000,000 warrants issued during 2014-15 on preferential basis at a conversion price of ₹ 222.15 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 21 May 2014.

2 3,000,000 warrants on preferential basis at a conversion price of ₹ 236 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 01 July 2014.

3 1,100,000 warrants at a conversion price of ₹ 475 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 31 March 2015.

b The Company on 26 May 2015 issued 7,476,635 equity shares of ₹ 10 each at a price of ₹ 535 per equity share to Qualified Institutional Buyers.

c During the previous year, the Company issued on a preferential basis to Promoter group entities and Non- Promoter group entities 757,734 and 2,827,679 equity shares of ₹ 10 each respectively at a price of ₹ 669.10 per equity share for consideration other than cash.

(ii) Terms/rights attached to equity shares

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

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

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015 (refer note (iv) below)	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	27,899,930	11.45%	27,899,930	11.71%	5,579,986	18.30%
Chayadeep Ventures LLP	25,125,000	10.31%	25,125,000	10.55%	3,525,000	11.56%
Agnus Capital LLP	25,125,000	10.31%	25,125,000	10.55%	3,525,000	11.56%
Arun Kumar Pillai	23,399,965	9.60%	23,399,965	9.82%	5,579,986	18.30%
Pronomz Ventures LLP	23,032,560	9.45%	17,532,560	7.36%	-	-
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.80%	14,138,395	5.93%	-	-
TIMF Holdings	13,347,370	5.48%	12,727,245	5.34%	-	-

(iv) During 2015-16, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity share of ₹ 2 each with effect from 26 February 2016.

(v) 1,790,000 shares of ₹ 2 each (As at 31 March 2016 2,320,000 shares of ₹ 2 each) (As at 01 April 2015 582,500 shares of ₹ 10 each) are reserved towards outstanding employee stock options granted / available for grant.

(vi) As at 31 March 2017, Nil warrants of ₹ 2 each (As at 31 March 2016: 5,500,000 of ₹ 2 each) (As at 01 April 2015: 5,000,000 of ₹ 10 each) are outstanding to be converted into equivalent number of shares.

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

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity shares	17,927,065	17,927,065	-

Note: Details of number of shares provided here is after considering the split of per share value from ₹ 10 to ₹ 2.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
20 OTHER EQUITY			
Capital reserve	10.65	10.65	10.65
Securities premium account	10,130.65	9,591.72	1,730.04
Share options outstanding account	155.50	109.86	60.63
General reserve	147.48	144.44	144.44
Retained earnings	(792.74)	(792.62)	(896.44)
Equity instruments through other comprehensive income	2,474.13	2,440.22	919.35
Remeasurements of the defined benefit Plans	0.61	(0.09)	(7.04)
Treasury reserve	(40.45)	(52.43)	(65.82)
Money received against share warrants	-	130.63	288.08
Total	**12,085.83**	**11,582.38**	**2,183.89**

(₹ in million)

		As at 31 March 2017	As at 31 March 2016
(a)	**Capital reserve**	10.65	10.65
(b)	**Securities premium account**		
	Balance at the beginning of the year	9,591.72	1,730.04
	Add: Premium on shares issued during the year	538.93	7,908.05
	Less: Utilised during the year for writing off share issue expenses	-	(46.37)
	Closing balance	**10,130.65**	**9,591.72**
(c)	**Share options outstanding account**		
	Balance at the beginning of the year	109.86	60.63
	Add: Amounts recorded on grants during the year	35.62	77.95
	Less: Deferred stock compensation expense	10.02	(28.72)
	Closing balance	**155.50**	**109.86**
(d)	**General reserve**		
	Balance at the beginning of the year	144.44	144.44
	Add: Vested employee stock opinions lapsed during the year	3.04	-
	Closing balance	**147.48**	**144.44**
(e)	**Retained earnings**		
	Balance at the beginning of the year	(792.62)	(896.44)
	Employee stock options trust consolidation	-	(0.05)
	Add: Profit/(loss) for the year	(0.12)	103.87
	Closing balance	**(792.74)**	**(792.62)**
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at the beginning of the year	2,440.22	919.35
	Net fair value gain on investment in equity instrument at fair value through other comprehensive income	33.91	1,520.87
	Closing balance	**2,474.13**	**2,440.22**
(g)	**Remeasurements of the defined benefit plans through other comprehensive income**		
	Balance at the beginning of the year	(0.09)	(7.04)
	Movement during the year	0.70	6.95
	Closing balance	**0.61**	**(0.09)**
(h)	**Treasury reserve**		
	Balance at the beginning of the year	(52.43)	(65.82)
	Employee stock options issued during the year	11.98	13.39
	Closing balance	**(40.45)**	**(52.43)**

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to the standalone financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
21 NON-CURRENT BORROWINGS			
Secured term loan - at amorised cost			
From bank	125.66	212.70	508.47
From other parties	14.10	25.49	36.87
Unsecured term loan - at amorised cost			
From other parties	-	-	3.47
Total	**139.76**	**238.19**	**548.81**

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

(₹ in million)

	Terms of repayment	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term loans from banks:				
Indian Overseas Bank : First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 22 quarterly instalments, commencing from December 2014	-	-	214.23
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	97.15	149.41
RBL Bank Limited: First pari-passu charge on the entire movable and 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	115.55	144.83
Total		**125.66**	**212.70**	**508.47**
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	25.49	36.87

The interest on above term loans 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 promoters or others

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term loans from banks	-	-	-
Term loans from other parties	14.10	25.49	36.87
Total	**14.10**	**25.49**	**36.87**

(iii) The Company has not defaulted in repayment of loans and interest.

(iv) For the current maturities of long-term borrowings, refer note 25 in other current financial liabilities.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
22 NON-CURRENT PROVISIONS			
Provision for employee benefits *			
Gratuity (net)	58.86	48.41	48.53
Compensated absences	27.19	22.77	23.99
Other provisions			
Provision for tax (net of advance tax- ₹ 28.32 million) (as at 31 March 2016 is ₹ 28.32 million and 01 April 2015 ₹ 28.32 million)	17.18	17.18	17.18
Total	**103.23**	**88.36**	**89.70**

* The provision for employee benefits include annual leave and vested long service leave entitlements accrued and compensation claims made by employees. Refer note 37 for details of gratuity plan as per Ind AS 19 - Employee benefits.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
23 CURRENT BORROWINGS			
Loans repayable on demand			
Secured loan - at amorised cost			
From banks (Refer note (i) below)	632.24	150.41	783.19
Unsecured loan - at amorised cost			
From banks (Refer note (iv) below)	-	-	999.55
From other parties	-	-	920.16
Total	**632.24**	**150.41**	**2,702.90**

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.

(iii) Short-term borrowings of ₹ Nil (31 March 2016 ₹ Nil; 01 April 2015 ₹ 468.04 million) are guaranteed by some of the Promoters of the Company in their personal capacities.

(iv) Unsecured short-term borrowings of ₹ Nil (31 March 2016 ₹ Nil; 01 April 2015 ₹ 999.55 million) are secured against securities provided by entities owned by Promoters.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
24 TRADE PAYABLES			
Trade payables	699.57	736.44	698.11
Total	**699.57**	**736.44**	**698.11**

(i) Trade payables are non-interest bearing and are normally settled in 90 - 120 days.
(ii) For explanations on the Company's credit risk management processes, refer note 46.3.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
25 OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long-term debt * (Refer note (i) below)	99.86	98.89	134.87
Unclaimed dividends	0.10	0.10	16.56
Payables on purchase of fixed assets	26.17	16.47	53.50
Advance received against sale of investment	110.00	-	-
Other liabilities	76.94	69.66	650.00
Total	**313.07**	**185.12**	**854.93**

* The details of interest rates, repayment and other terms are disclosed under note 21.

(i) Current maturities of long-term debt (Refer notes (i) and (ii) in note 21 - Non-current borrowings for details of security and guarantee):

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to the standalone financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Secured Term loan from banks			
Indian Overseas Bank	-	-	29.07
RBL Bank Limited	88.43	86.66	93.04
Secured loan from other parties			
Housing Development Finance Corporation Limited	11.43	11.43	11.43
Unsecured loan from other parties			
Department of Scientific and Industrial Research	-	0.80	1.33
Total	**99.86**	**98.89**	**134.87**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
26 OTHER CURRENT LIABILITIES			
Statutory remittances	28.09	17.52	18.48
Advances from customers	11.72	5.85	11.31
Total	**39.81**	**23.37**	**29.79**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
27 CURRENT PROVISIONS			
Provision for employee benefits			
Compensated absenses	2.38	3.57	5.08
Total	**2.38**	**3.57**	**5.08**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
28 REVENUE FROM OPERATIONS		
Sale of products (including excise duty) (Refer note below)	3,869.83	3,941.39
Other operating revenues		
Sale of scrap	3.15	5.88
Sale of Import licences	-	23.04
Sale of Intellectual property rights	-	58.98
Licensing fees	-	21.15
Reimbursement of expenses	23.99	9.71
Duty drawback and other export incentives	25.16	4.72
Profit on sale of other materials	-	21.84
Total	**3,922.13**	**4,086.71**

Note:

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
(i) Sale of products comprises:		
(a) Manufactured goods		
Bulk drugs	3,529.44	3,146.38
Total	**3,529.44**	**3,146.38**
(b) Traded goods		
Bulk drugs	292.81	788.81
Chemicals	47.58	6.20
Total	**340.39**	**795.01**
Total	**3,869.83**	**3,941.39**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
29 OTHER INCOME		
Interest income (Refer note (i) below)	104.02	60.83
Other non-operating income (Refer note (ii) below)	41.36	28.70
Dividend Income *	16.59	10.60
Fair value gain on financial instrument at fair value through profit or loss **	38.97	55.40
Total	**200.94**	**155.53**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
(i) Interest income comprises:		
Interest on:		
Bank deposits	1.87	27.70
Loans and advances to subsidiaries	99.94	32.50
Security deposits	2.21	0.63
Total	**104.02**	**60.83**
(ii) Other non-operating income comprises:		
Insurance claim received	0.03	0.28
Liabilities / provisions no longer required written back	16.36	13.26
Rental income (Refer note 40)	10.68	10.53
Corporate guarantee commission (Refer note 40)	5.16	3.21
Miscellaneous income	9.13	1.42
Total	**41.36**	**28.70**

*All dividends from equity investments designated as at fair value through other comprehensive income recognised for both the years relate to investments held at the end of each reporting period.

**Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the year end.

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
30A COST OF MATERIALS CONSUMED		
Opening stock	241.44	228.00
Add: Purchases	1,925.17	1,542.75
Less: Closing stock	212.96	241.44
Total	**1,953.65**	**1,529.31**
Materials consumed comprises:		
Solvents	275.64	227.91
Chemicals	1,678.01	1,301.40
Total	**1,953.65**	**1,529.31**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
30B PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	316.18	541.47
Total	**316.18**	**541.47**
Purchases of stock-in-trade comprises:		
Bulk drugs	267.31	509.13
Chemicals	48.87	32.34
Total	**316.18**	**541.47**

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to the standalone financial statements for the year ended 31 March 2017

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
30C CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND INTERMEDIATES		
Opening stock		
Work-in-progress and intermediates	180.53	201.56
Finished goods	137.54	233.75
	318.07	435.31
Closing stock		
Work-in-progress and intermediates	243.88	180.53
Finished goods	165.42	137.54
	409.30	318.07
Net (increase) / decrease	(91.23)	117.24

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
31 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	320.90	292.09
Contributions to provident fund and other funds	29.78	22.04
Share-based payments to employees	44.75	55.54
Staff welfare expenses	26.89	18.73
Total	422.32	388.40

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
32 FINANCE COSTS		
Interest expense on borrowings	69.81	124.28
Other borrowing costs	13.79	40.14
Total	83.60	164.42

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment (Refer note 3)	189.41	186.21
Depreciation on investment properties (Refer note 4)	1.04	1.04
Amortisation on intangible assets (Refer note 5)	63.29	56.39
Less : Depreciation capitalised for intangible assets under development	(2.06)	(1.84)
Total	251.68	241.80

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
34 OTHER EXPENSES		
Power, water and fuel	186.66	179.81
Consumables	38.83	41.44
Conversion and processing charges	258.00	207.04
Contract labour charges	64.27	57.73
Freight and forwarding	29.11	32.04
Rent including lease rentals (Refer note 41)	11.18	6.86
Rates and taxes	12.87	22.80
Communication expenses	15.10	10.71
Repairs and maintenance		
Building	24.82	23.51
Machinery	71.71	67.65
Others	42.73	50.20
Insurance	6.68	8.37
Travelling and conveyance	25.50	21.92
Advertisement and selling expenses	7.81	1.26
Commission on sales	5.90	7.03
Legal and professional fees	56.05	75.85
Payments to auditors (Refer note (i) below)	6.22	5.43
Analytical charges	136.27	117.44
Bad trade receivables written off	4.09	7.15
Bad loans and advances written off	-	1.59
Provision for doubtful trade receivables	1.10	1.00
Loss on sale of assets (net)	-	6.14
Net loss on foreign currency transactions and translation	(22.09)	23.27
Increase/(decrease) of excise duty on inventory	9.46	(4.75)
Other expenses	56.54	42.73
Total	1,048.81	1,014.22

Notes:

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
(i) Payments to the auditors comprises (net of service tax input credit):		
As auditors - statutory audit (including fees for undertaking limited reviews)	5.00	5.00
Fee for certification and other services	1.00	0.28
Reimbursement of expenses	0.22	0.15
	6.22	5.43

Payment to auditors excludes ₹ Nil (31 March 2016: ₹ 5.98 million) paid towards certification in relation to Qualified Institutional Placement debited to Securities Premium account.

	Year Ended 31 March 2017	Year Ended 31 March 2016
35 EARNINGS PER SHARE		
Basic earnings per share	(0.00)	0.50
Diluted earnings per share	(0.00)	0.49

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
Profit attributable to equity shareholders		
Profit for the year attributable to equity holders of the Company:	(0.12)	103.87
Profit attributable to equity shareholders for basic and diluted earnings	(0.12)	103.87

	Year Ended 31 March 2017	Year Ended 31 March 2016
Weighted average number of equity shares		
Issued equity shares at beginning of the year	238,236,195	152,425,955
Effect of shares issued against warrants	2,863,014	58,382,577
Effect of treasury shares	(1,790,000)	(2,320,000)
Weighted average number of equity shares at end of the year for basic EPS	239,309,209	208,488,532
Share options	1,687,780	934,905
Convertible warrants	-	2,749,098
Weighted average number of equity shares at end of the year for diluted EPS	240,996,989	212,172,535

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(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
36 RECONCILIATIONS OF TAX EXPENSES AND DETAILS OF DEFERRED TAX BALANCES		
i) Reconciliations of tax expenses to statutory rate income tax recognised in the statement of profit and loss		
Current tax		
In respect of current year	-	-
In respect of prior years	-	-
	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	0.69
	-	0.69
Total income tax expense recognised	-	0.69

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

(₹ in million)

	31 March 2017	31 March 2016
Profit before tax	(0.12)	104.56
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 33.99%)	(0.04)	35.54

The tax rate used for 2016-17 and 2015-16 reconcilliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. Actual tax expenses is zero considering the unabsorbed tax losses and depreciation.

ii) Movement in deferred tax balances

(₹ in million)

	31 March 2017					
	Net balance 01 April 2016	Recognised in profit and loss	Recognised in others comprehensive income	Net	Deferred tax asset	Deferred tax liability
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)**	**-**	**-**
Unabsorbed depreciation and carried forward losses	**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**	**-**

(₹ in million)

	31 March 2016					
	Net balance 01 April 2015	Recognised in profit and loss	Recognised in others comprehensive income	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(103.62)	(82.32)	-	(185.94)	-	-
Employee benefits	28.16	27.59	-	55.75	-	-
Other items	9.01	7.45	-	16.46	-	-
Tax assets (liabilities)	**(66.45)**	**(47.28)**	**-**	**(113.73)**	**-**	**-**
Unabsorbed depreciation and carried forward losses	67.14	46.59	-	113.73	-	-
Net tax assets (liabilities)	**0.69**	**(0.69)**	**-**	**-**	**-**	**-**
MAT credit entitlement	45.75	-	-	45.75	45.75	-
Total	**46.44**	**(0.69)**	**-**	**45.75**	**45.75**	**-**

iii) Unrecognised timing differences and tax losses and tax depreciation

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
Difference between book value and tax based of property, plant and equipment	(282.87)	(547.04)
Disallowance relating to employee benefits	94.28	164.02
Unabsorbed depreciation and tax losses	990.32	1,641.89
Others	-	48.43
Net unrecognised timing differences	**801.73**	**1,307.30**
Tax impact of unrecognised tax losses and depreciation	**277.48**	**444.35**

(iv) 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).

(v) No deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in subsidiaries.

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37 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 ₹ 19.80 million (year ended 31 March 2016 - ₹ 17.78 million) for Provident Fund contributions and ₹ 2.07 million (year ended 31 March 2016 - ₹ 1.25 million) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. As at 31 March 2017, contribution of ₹ 3.10 million (year end 31 March 2016 - ₹ 2.75 million) 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.

(₹ in million)

	31 March 2017 Gratuity	31 March 2016 Gratuity
Expense recognised in the statement of profit and loss:		
Current service cost	7.53	7.65
Net interest expenses	3.86	4.10
Expected return on plan assets	(0.36)	(0.54)
Component of defined benefit costs recognised in the statement of profit and loss	**11.03**	**11.21**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expenses)	0.15	0.15
Actuarial (gains) / losses arising from change in financial assumptions	1.84	1.34
Actuarial (gains) / losses arising from change in experience assumptions	(2.69)	(8.44)
Components of defined benefit costs recognised in other comprehensive income	**(0.70)**	**(6.95)**
Total	**10.33**	**4.26**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

	31 March 2017 Gratuity	31 March 2016 Gratuity	01 April 2015 Gratuity
Present value of defined benefit obligation (DBO)	61.61	53.20	56.46
Fair value of plan assets	2.75	4.79	7.93
Funded status [surplus / (deficit)]	(58.86)	(48.41)	(48.53)
Net liability arising from defined benefit obligations recognised in the Balance Sheet	**(58.86)**	**(48.41)**	**(48.53)**

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

(₹ in million)

	31 March 2017 Gratuity	31 March 2016 Gratuity
Opening defined benefit obligation	53.20	56.46
Current service cost	7.53	7.65
Interest cost	3.86	4.10
Acquisition from subsidiary	2.46	-
Benefits paid	(4.59)	(7.91)
Actuarial (gains) / losses arising from changes in financial assumptions	1.84	1.34
Actuarial (gains) / losses arising from changes in experience adjustments	(2.69)	(8.44)
Closing defined benefit obligation	**61.61**	**53.20**

B. Movements in the fair value of plan assets are as follows:

(₹ in million)

	31 March 2017 Gratuity	31 March 2016 Gratuity
Opening fair value of plan assets	4.79	7.93
Expected return on plan assets	0.36	0.54
Actual contributions from the Company	2.34	4.38
Benefits paid	(4.59)	(7.90)
Remeasurement loss/(gain):		
Acturial gain / (loss)	(0.15)	(0.16)
Closing fair value of plan assets	**2.75**	**4.79**

Actual return on plan assets is ₹ 0.21 million (31 March 2016 ₹ 0.39 million).

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 2017 Gratuity	31 March 2016 Gratuity	01 April 2015 Gratuity
Financial assumption:			
Discount rate	7.15%	7.50%	7.80%
Salary escalation rate	12.00%	12.00%	12.00%
Demographic assumption:			
Withdrawal rate	8.00%	8.00%	8.00%
Mortality rate	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	
	100 bps Increase	100 bps decrease
31 March 2017		
Discounting rate	56.58	67.43
Salary escalation Rate	65.20	58.10
	121.78	**125.53**
31 March 2016		
Discounting rate	48.93	58.13
Salary escalation Rate	56.19	50.28
	105.12	**108.41**

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
38 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	0.07	9.87
- Income tax	0.97	21.61	78.51
- Service tax	7.48	6.10	1.48
- Excise duty	0.29	0.29	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.

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(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Commitments			
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	56.17	54.81	41.32
b. Unpaid amount towards subscription of 7,100,000 warrants of Shasun Pharmaceuticals Limited	-	-	585.75

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
39 DUES TO MICRO AND SMALL SUPPLIERS			
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-	0.68
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	0.13
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	-	-	0.13
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 and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

40 RELATED PARTY TRANSACTIONS

40.1 List of related parties

i) Subsidiaries

Wholly-owned subsidiaries:

Alivira Animal Health Limited, India (Refer note 8 below)
Elysian Life Sciences Private Limited
SeQuent Antibiotics Private Limited
SeQuent Global Holdings Limited
SeQuent Pharmaceuticals Private Limited (Formerly known as SeQuent Oncolytics Private Limited)
SeQuent Research Limited
SeQuent Scientific Pte Limited

Other subsidiaries:

Naari Pharma Private Limited (Formerly known as Indo Phyto Chemicals Private Limited)
SeQuent Penems Private Limited

Step down subsidiaries:

Alivira Animal Health Limited, Ireland
Alivira Animal Health Australia Pty Limited
SeQuent European Holdings Limited
Provet Veteriner Ürünleri San. ve Tic. A.s.
Fendigo SA
Fendigo BV
N-Vet AB
Topkim Ilac Premiks San. ve Tic. A.S
Alivira Saude Animal Brasil Participacoes LTDA (Refer note 3 below)
Interchange Veterinária Indústria E Comércio S.A. Brasil,Brazil (Refer note 4 below)
Vila Viña Participacions S.L. (Refer note 5 below)
Laboratorios Karizoo, S.A. (Refer note 5 below)
Laboratorios Karizoo, S.A. DE C.V. (Mexico) (Refer note 5 below)
Comercial Vila Veterinaria De Lleida S.L. (Refer note 5 below)
Phytotherapic Solutions S.L (Refer note 5 below)
Alivira UA Limited, Ireland (Refer note 6 below)

(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. P R Kannan, Chief Financial Officer (Upto 10 February 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)
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 (Formerly known as Strides Arcolab Limited)
Atma Projects
Agnus Holdings Private Limited
Latitude Projects Private Limited
Chayadeep Properties Private Limited
Deesha Properties
Agnus Capital LLP
Chayadeep Ventures LLP
Pronomz Ventures LLP

Notes:

1 Related parties are as identified by the Company and relied upon by the Auditors.
2 SeQuent Global Holding Limited has filed for voluntary liquidation on 04 November 2016.
3 During 2016-17, Alivira Saude Animal Brasil Participacoes LTDA was incorporated on 10 June 2016.
4 During 2016-17, Alivira Saude Animal Brasil Participacoes LTDA acquired 70% stake in Interchange Veterinaria Industria E Comercio S.A. Brasil,Brazil.
5 During 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.
6 Alivira UA Limited, Ireland was incorporated on 30 September 2016.
7 During the year SeQuent European Holdings Limited was wound up on 30 November 2016.
8 The shareholding of Alivira Animal Health Limited as at 31 March 2016 is 100% as compared to 91.92% at 01 April 2015.

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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40.2 Transactions for the year

(₹ in million)

	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 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Sale of materials/services								
Strides Shasun Limited							557.80	722.58
Alivira Animal Health Limited	935.07	705.66						
Sale of machinery/assets								
Alivira Animal Health Limited	1.28	4.45						
SeQuent Research Limited	-	5.53						
Interest and other income								
SeQuent Global Holdings Limited	-	0.11						
Alivira Animal Health Limited	76.14	32.23						
Naari Pharma Private Limited			23.80	-				
Provet Veterinerlik Urunleri Tic.Ltd.Sti			-	0.26				
Interest paid								
Chayadeep Properties Private Limited							-	0.27
SeQuent Research Limited	-	0.62						
Alivira Animal Health Limited	-	16.18						
Licensing fees								
Alivira Animal Health Limited	-	21.15						
Purchase of material								
Alivira Animal Health Limited	463.58	45.57						
Strides Shasun Limited	-	-					-	46.44
Purchase of scrips								
Alivira Animal Health Limited	11.97	8.92						
Purchase of machinery/assets								
SeQuent Penems Private Limited			1.30	0.68				
Alivira Animal Health Limited	3.96	-						
SeQuent Research Limited	9.50	-						
Naari Pharma Private Limited			0.20	-				
Strides Shasun Limited							-	0.05
Sale of Intellectual Property Rights								
Alivira Animal Health Limited	-	58.98						
Managerial remuneration (excluding costs relating to post employment benefits)								
Dr. Gautam Kumar Das								
Short-term benefit					6.19	7.31		
Share-based payments					1.28	0.98		
Total					7.47	8.29		
Mr. Manish Gupta								
Short-term benefit					9.22	8.97		
Share-based payments					-	3.54		
Total					9.22	12.51		
Mr. P R Kannan								
Short-term benefit					8.01	7.77		
Mr. Tushar Mistry								
Short-term benefit					0.78	-		
Mr. Preetham Hebbar								
Short-term benefit					0.67	0.66		
Mr. Krupesh Mehta								
Short-term benefit					0.16	-		
Directors Sitting Fees					2.11	1.78		
Reimbursement of expenses from								
SeQuent Research Limited	21.19	9.71						
Naari Pharma Private Limited			5.45	1.55				
Reimbursement of expenses to								
Strides Shasun Limited							2.12	8.64
SeQuent Penems Private Limited			1.31	-				
Alivira Animal Health Limited	-	18.40						
Analytical charges								
SeQuent Research Limited	161.74	103.05						
Rent expense								
Strides Shasun Limited							0.51	2.00

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(₹ in million)

	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 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Chayadeep Properties Private Limited							0.90	-
Agnus Holdings Private Limited							0.08	0.26
Security deposit refund by								
Strides Shasun Limited							2.27	-
Security deposit given to								
Chayadeep Properties Private Limited							5.12	-
Provision written back								
SeQuent Penems Private Limited			17.98	-				
Details of balance provided / written off during year								
(i) Advances / receivable								
SeQuent Global Holdings Limited	0.68	-						
SeQuent Penems Private Limited			-	151.63				
(ii) Investments								
SeQuent Global Holdings Limited	9.08	-						
SeQuent Penems Private Limited			-	149.29				
Rental income								
Alivira Animal Health Limited	0.39	0.33						
SeQuent Research Limited	10.29	10.20						
Loans/advances given by Company								
Elysian Life Sciences Private Limited	0.25	0.17						
SeQuent Antibiotics Private Limited	-	0.01						
SeQuent Penems Private Limited			0.20	3.50				
SeQuent Research Limited	13.38	-						
Alivira Animal Health Limited	583.96	589.59						
Naari Pharma Private Limited			238.40	-				
Loan/advances repaid to the company								
SeQuent Penems Private Limited			13.66	1.38				
Naari Pharma Private Limited			20.00	-				
Alivira Animal Health Limited	685.11	-						
SeQuent Global Holdings Limited	0.17	-						
Elysian Life Sciences Private Limited	-	6.67						
Loan/advances repaid by Company								
Chayadeep Properties Private Limited							-	16.77
Sequent Research Limited	-	11.43						
Alivira Animal Health Limited	-	1,184.54						
Investment during the year								
(Including pending allotment)								
Alivira Animal Health Limited	-	950.00						
Shares issued on conversion of warrants								
Agnus Capital LLP							-	340.15
Chayadeep Ventures LLP							-	340.15
Pronomz Ventures LLP							522.50	472.00
Money received against share warrants								
Agnus Capital LLP							-	255.11
Chayadeep Ventures LLP							-	255.11
Pronomz Ventures LLP							391.88	484.63
Commission on Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited	4.05	3.21						
Naari Pharma Private Limited			1.11	-				
ESOP given to employees of Subsidiary company								
Alivira Animal Health Limited	29.79	8.57						
Amount collected by the Company on behalf of								
Alivira Animal Health Limited	6.59	23.43						
Transactions carried out by the Company on behalf of Alivira Animal Health Limited								
Sales	11.79	11.10						
Purchases / expenses	-	10.11						

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to the standalone financial statements for the year ended 31 March 2017

40.3 Balance as at Balance Sheet date

(₹ in million)

	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 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade receivables /other current assets												
Strides Shasun Limited										104.97	191.10	129.31
SeQuent Research Limited	-	-	10.29									
Alivira Animal Health Limited	388.61	-	-	-	-	311.85						
Naari Pharma Private Limited				4.77	43.23	-						
Advance receivable												
SeQuent Antibiotics Private Limited	0.50	0.50	0.48	-	-	-						
SeQuent Penems Private Limited				135.08	153.07	151.63						
Elysian Life Sciences Private Limited	112.05	111.80	118.30									
SeQuent Global Holdings Limited	0.68	0.85	0.74									
Alivira Animal Health Limited	532.79	578.23	-									
SeQuent Research Limited	13.38	-	-									
Naari Pharma Private Limited				281.50	-	-						
Provision made for advances given												
SeQuent Penems Private Limited				135.08	-	151.63						
Elysian Life Sciences Private Limited	111.56	111.56	111.56									
Security deposit receivable												
Strides Shasun Limited										-	2.27	2.27
Chayadeep Properties Private Limited										5.12	-	-
Other payable												
Chayadeep Properties Private Limited										0.14	-	16.53
SeQuent Research Limited	-	-	10.88									
Alivira Animal Health Limited				-	-	892.76						
Trade payable balance												
Atma Projects										0.20	0.20	-
Alivira Animal Health Limited	-	113.19	-	-	-	24.42						
SeQuent Research Limited	8.39	3.41	-									
Strides Shasun Limited										4.37	6.98	-
Agnus Holdings Private Limited										0.01	0.02	-
Money received against share warrants												
Pronomz Ventures LLP										-	130.63	118.00
Agnus Capital LLP										-	-	85.04
Chayadeep Ventures LLP										-	-	85.04
Corporate Guarantee given to lender for loan facility												
Alivira Animal Health Limited	1,761.95	1,427.45	-	-	-	1,532.60						
Naari Pharma Private Limited				929.66	-	-						

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41 OPERATING LEASES

Leases as lessee

Leasing arrangements

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.

Payments recognised as an expense

(₹ in million)

	31 March 2017	31 March 2016
Lease payments	11.18	6.86
	11.18	**6.86**

Non-cancellable operating lease commitments

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Not later than 1 year	-	1.36	1.96
Later than 1 year and not later than 5 years	-	-	1.36
Later than 5 years	-	-	-

42 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 'ESOP 2010' Scheme.	5 years
12 February 2014	500,000	Same as above	5 years
28 May 2014	900,000	Same as above	5 years
12 November 2014	1,000,000	Same as above	5 years
11 January 2016	500,000	Same as above	5 years
14 May 2016	345,000	Same as above	5 years

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 ₹ 103.26 (during the year ended 31 March 2016: ₹ 179.29). 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 2017	31 March 2016
Inputs into the model		
Grant date	14 May 2016	11 January 2016
Grant date share price	148.90	232.80
Exercise price	87.00	87.00
Expected volatility	55.11%	47.61%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	7.64%	7.86%

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 2017		31 March 2016	
	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	3,545,000	24.08	3,862,500	13.38
Granted during the year	345,000	87.00	500,000	87.00
Exercised during the year	530,000	33.03	592,500	13.89
Forfeited during the year	435,000	25.75	225,000	11.28
Options outstanding at the end of the year	**2,925,000**	**29.87**	**3,545,000**	**24.08**

D. Share options excercised 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	220,000	03 June 2016	135.65
2. Granted on 30 May 2013	12,500	01 July 2016	144.23
3. Granted on 30 May 2013	42,500	25 July 2016	129.55
4. Granted on 30 May 2013	80,000	16 August 2016	111.35
5. Granted on 30 May 2013	25,000	02 November 2016	128.63
6. Granted on 28 May 2014	62,500	03 June 2016	135.65
7. Granted on 11 January 2016	87,500	16 January 2017	124.48

E. Share options excercised at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 29.87 (as at 31 March 2016: ₹ 24.08) and weighted average remaining contractual life of 2.57 years (as at 31 March 2016: 3.21 years).

F. Split of Shares

During 2015-16, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity share of ₹ 2 each with effect from 26 February 2016.

(₹ in million)

	31 March 2017	31 March 2016
43 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE		
Revenue expenditure		
Employee benefit expenses	34.79	27.37
Power, water and fuel	5.01	5.10
Legal and professional fees	0.08	1.81
Consumables	12.48	13.92
Travelling and conveyance	0.56	0.82
Analytical charges	71.34	36.71
Others	0.24	0.32
TOTAL	**124.50**	**86.05**

The above include costs associated with the development services undertaken for customers.

44 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:

(₹ in million)

	31 March 2017	31 March 2016
Employee benefits expense	17.22	6.42
Power, water and fuel	2.94	1.75
Legal and professional fees	0.04	0.42
Raw material and consumables	15.95	41.54
Travelling and conveyance	0.28	0.19
Analytical charges	35.20	8.57
Depreciation	2.06	1.84
Others	0.62	0.56
Sale of validation batches	(6.23)	(33.29)
TOTAL	**68.08**	**28.00**

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Movement of Intangible assets under development:

(₹ in million)

	31 March 2017	31 March 2016
a. Movement in research and development expenses		
Opening balance	18.27	25.56
Add: Development expenses as note 44 above	68.08	28.00
Add: Purchase of IP under development	1.45	-
Less: Transferred to gross block	-	35.29
Total	**87.80**	**18.27**

(₹ in million)

	31 March 2017	31 March 2016
b. Movement of other intangible assets under development:		
Other intangible assets (including SAP implementation)	223.55	-
Total	223.55	-
Total movement of intangible assets under development:	**311.35**	**18.27**

45 DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R.308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification as follows:

(Amount in ₹)

	SBNs*	Other denomination notes	Total
Closing Balance as at 8 November 2016	174,500	441,140	615,640
Withdrawals from Banks	-	1,238,620	1,238,620
Add: Permitted receipts	-	37,331	37,331
Less: Permitted payments	77,500	1,331,997	1,409,497
Less: Amount deposited in banks	97,000	78,800	175,800
Closing balance as on 30 December 2016	-	306,294	306,294

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O3407 (E), dated 08 November 2016.

46 FINANCIAL INSTRUMENTS

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

(₹ in million)

	Carrying value and fair value		
Financial assets	31 March 2017	31 March 2016	01 April 2015
Measured at amortised cost			
Investment in subsidiaries	4,646.51	4,680.04	1,250.76
Other investment	0.08	0.08	0.08
Trade receivables	1,130.30	737.46	1,004.09
Cash and cash equivalents	11.86	11.01	206.14
Other bank balances	18.71	36.96	67.78
Loans	828.90	623.36	8.18
Other financial assets	66.41	45.75	46.12
Measured at fair value through other comprehensive income (FVTOCI)			
Investment in equity instruments (Quoted)	3,640.91	3,607.00	1,500.37
Investment in equity instruments (Unquoted)	0.05	0.05	0.05
Measured at fair value through profit or loss (FVTPL)			
Investments in mutual fund	620.65	621.55	-
Derivative assets	5.64	1.15	0.38
Total assets	**10,970.02**	**10,364.41**	**4,083.95**
Financial liabilities			
Measured at amortised cost			
Borrowings (including current maturity of long-term borrowings)	871.86	487.49	3,386.58
Trade payables	699.57	736.44	698.11
Other financial liabilities	213.21	86.23	720.06
Total liabilities	**1,784.64**	**1,310.16**	**4,804.75**

46.1 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 2017, 31 March 2016 and 01 April 2015.

Fair value hierarchy of assets and liability measured at fair value as at 31 March 2017:

(₹ in million)

	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 designated at fair value through profit or loss (note 16):					
Foreign exchange forward contracts	31 March 2017	5.64	-	5.64	-
Financial assets designated at fair value through other comprehensive income (notes 6 and 11):					
Investment in equity instruments (Quoted)	31 March 2017	3,640.91	3,640.91	-	-
Investment in equity instruments (Unquoted)	31 March 2017	0.05	-	0.05	-
Financial assets designated at fair value through profit or loss (note 11):					
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 period.

Fair value hierarchy of assets and liability measured at fair value as at 31 March 2016:

(₹ in million)

	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 designated at fair value through profit or loss (note 16):					
Foreign exchange forward contracts	31 March 2016	1.15	-	1.15	-
Financial assets designated at fair value through other comprehensive income (notes 6 and 11):					
Investment in equity instruments (Quoted)	31 March 2016	3,607.00	3,607.00	-	-
Investment in equity instruments (Unquoted)	31 March 2016	0.05	-	0.05	-

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(₹ in million)

	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 designated at fair value through profit or loss (notes 6 and 11):					
Investment in mutual funds	31 March 2016	621.55	-	621.55	-
There have been no transfers among Level 1, Level 2 and Level 3 during the period.					

Fair value hierarchy of assets and liability measured at fair value as at 01 April 2015:

(₹ in million)

	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 designated at fair value through profit or loss (note 16):					
Foreign exchange forward contracts	01 April 2015	0.38	-	0.38	-
Financial assets designated at fair value through other comprehensive income (notes 6 and 11):					
Investment in equity instruments (Quoted)	01 April 2015	1,500.37	1,500.37	-	-
Investment in equity instruments (Unquoted)	01 April 2015	0.05	-	0.05	-
There have been no transfers among Level 1, Level 2 and Level 3 during the period.					

Notes:

(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.

46.2 Financial Risk Management Objective 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, and 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.

46.3 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 receivables from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The credit risk on liquid funds and derivates 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:

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Outstanding for more than 6 months	589.59	150.08	28.31
Others	540.71	587.38	975.78
Total	**1,130.30**	**737.46**	**1,004.09**

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

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non- performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

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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 ₹ 1,210.77 million representing 32% of Company's total revenue for the year ended 31 March 2017. 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 could have to pay if the guarantee is called on. As at 31 March 2017, an amount of ₹ 1,987.49 million is outstanding as financial guarantee. These financial guarantees have been issued to banks under the loan agreements entered into with the subsidiaries.

46.4 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 2017, 31 March 2016 and 01 April 2015.

(₹ in million)

	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	11,987.49	-	-	-

(₹ in million)

	As at 31 March 2016			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	249.30	99.86	138.33	487.49
Trade payables	736.44	-	-	736.44
Other financial liabilities	86.23	-	-	86.23
Financial guarantee	1,427.45	-	-	-

(₹ in million)

	As at 01 April 2015			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	2,837.77	98.89	449.92	3,386.53
Trade payables	698.11	-	-	698.11
Other financial liabilities	720.06	-	-	720.06
Financial guarantee	1,532.60	-	-	-

46.5 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 on foreign currency exposure.

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

(₹ in million)

Foreign currency	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency
Euro	-	-	3.93	0.05	5.90	0.09
USD	437.81	6.75	280.83	4.23	327.82	5.24
Euro	(0.99)	(0.01)	(0.28)	-	(1.13)	(0.02)
USD	(635.00)	(9.79)	(411.15)	(6.18)	(498.60)	(7.97)
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 are given below:

Currency	Amount in million				
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	Buy / sell	Cross currency
USD	0.93	0.56	-	Buy	Rupee
USD	2.00	1.23	2.20	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.

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(₹ in million)

Currency	Impact in the statement of profit and loss and total equity		
	31 March 2017	31 March 2016	01 April 2015
Currency of U.S.A (USD)	19.72	13.03	17.08
Currency of Europe (Euro)	0.10	(0.37)	(0.48)
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.

46.6 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 is as follows:

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Fixed-rate instruments			
Financial assets			
- Margin money deposit	18.61	42.27	73.07
Total	**18.61**	**42.27**	**73.07**
Variable-rate instruments			
Financial liabilities			
- Borrowings from bank	846.33	449.77	2,413.31
- Borrowings from others	25.53	37.72	973.27
Total	**871.86**	**487.49**	**3,386.58**

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 2016.

(₹ in million)

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2017		
Variable-rate instruments	(8.72)	8.72
	(8.72)	**8.72**
31 March 2016		
Variable-rate instruments	(4.87)	4.87
	(4.87)	**4.87**

47 CAPITAL MANAGEMENT

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 21, 23 and 25 and 7, 13 and 14 offset by cash and bank balances) and total equity of the Company.

The Company's Gearing Ratio at end of each reporting period is as follow.

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Debt(refer note (i) below)	871.86	487.49	3,386.58
Cash and cash equivalents	(11.86)	(11.01)	(206.14)
Other bank balances (refer note (ii) below)	(18.61)	(36.86)	(67.67)
Other non-current financial assets (margin money)	-	(5.41)	(5.41)
Net debt	841.39	434.21	3,107.36
Total equity	12,573.30	**12,058.85**	**2,488.74**
Gearing ratio	6.69%	**3.60%**	**124.86%**

(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 balances towards unpaid dividend.

48 CORPORATE SOCIAL RESPONSIBILITY EXPENSES (CSR)

As per Section 135 (1) of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprise (DPE), the Company is required to spend, in every financial year, atleast two percent 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:

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

49 FIRST TIME ADOPTION OF IND AS

Explanation of transition to Ind AS

The Company has prepared its first financial statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening balance sheet is 01 April 2015 (the date of transition to Ind AS according to Ind AS 101-First-time adoption of Indian Accounting Standards).

Certain exceptions as well as certain optional exemptions availed by the Company are described below:

i) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income criteria based on the facts and circumstances that existed as on the transition date.

ii) Property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 01 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iii) Investments in subsidiaries in separate financial statements

The Company has elected to carry forward investment in subsidiaries at previous GAAP carrying amount.

iv) Share-based payment transaction

The Company is allowed to apply Ind AS 102-Share-based Payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and fair value all unvested grants under the Sequent Employee Stock Option Plan 2010 ('the ESOP Plan')

v) Equity investments at fair value through other comprehensive income

The Company has designated investment in equity instrument at fair value through other comprehensive income on the basis of facts and circumstances that existed on the transition date.

vi) Long-term foreign currency monetary items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period (i.e. 01 April 2016) as per the previous GAAP.

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First-time Ind AS adoption reconciliation

Effect of Ind AS adoption on the balance sheet as at 31 March 2016 and 01 April 2015:

(₹ in million)

	Notes	As at 31 March 2016			As at 01 April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	h,l	1,741.72	(152.41)	1,589.31	1,882.37	(154.55)	1,727.82
(b) Capital work-in-progress		181.42	-	181.42	63.69	-	63.69
(c) Investment property	l	-	62.89	62.89	-	63.93	63.93
(d) Other intangible assets		106.70	-	106.70	126.44	-	126.44
(e) Intangible assets under development		18.27	-	18.27	25.56	-	25.56
(f) Financial assets							
(i) Investments in subsidiaries	b,m,n	4,668.26	11.78	4,680.04	1,250.76	-	1,250.76
(ii) Other investments	b	1,166.13	2,439.66	3,605.79	580.38	918.40	1,498.78
(iii) Other financial assets		27.17	-	27.17	26.96	-	26.96
(g) Deferred tax assets		45.75	-	45.75	46.44	-	46.44
(h) Other non-current assets	g,h	67.48	84.78	152.26	72.76	72.67	145.43
Total non-current assets		**8,022.90**	**2,446.70**	**10,469.60**	**4,075.36**	**900.45**	**4,975.81**
Current Assets							
(a) Inventories		561.90	-	561.90	668.84	-	668.84
(b) Financial assets							
(i) Investments	b	585.77	37.12	622.89	0.77	0.95	1.72
(ii) Trade receivables	f	667.81	69.65	737.46	987.65	16.44	1,004.09
(iii) Cash and cash equivalents	k	10.88	0.13	11.01	205.97	0.17	206.14
(iv) Bank balances other than (iii) above		36.96	-	36.96	67.78	-	67.78
(v) Loans		623.36	-	623.36	8.18	-	8.18
(vi) Other financial assets	c	20.00	(0.27)	19.73	19.54	-	19.54
(c) Other current assets	g,h	257.78	(0.35)	257.43	319.64	(3.68)	315.96
Total current assets		**2,764.46**	**106.28**	**2,870.74**	**2,278.37**	**13.88**	**2,292.25**
Assets classified as held for sale		143.97	-	143.97	150.00	-	150.00
Total assets		**10,931.33**	**2,552.98**	**13,484.31**	**6,503.73**	**914.33**	**7,418.06**
(I) EQUITY							
(a) Equity share capital		476.47	-	476.47	304.85	-	304.85
(b) Other equity	b,c,k,m,n	9,093.99	2,488.39	11,582.38	1,264.39	919.50	2,183.89
Total equity		**9,570.46**	**2,488.39**	**12,058.85**	**1,569.24**	**919.50**	**2,488.74**
(II) LIABILITIES							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	g	243.28	(5.09)	238.19	570.44	(21.63)	548.81
(b) Provisions		88.36	-	88.36	89.70	-	89.70
Total non-current liabilities		**331.64**	**(5.09)**	**326.55**	**660.14**	**(21.63)**	**638.51**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		150.41	-	150.41	2,702.90	-	2,702.90
(ii) Trade payables		736.44	-	736.44	698.11	-	698.11
(iii) Other financial liabilities	f	115.44	69.68	185.12	838.47	16.46	854.93
(b) Other current liabilities		23.37	-	23.37	29.79	-	29.79
(c) Provisions		3.57	-	3.57	5.08	-	5.08
Total current liabilities		**1,029.23**	**69.68**	**1,098.91**	**4,274.35**	**16.46**	**4,290.81**
Total equity and liabilities		**10,931.33**	**2,552.98**	**13,484.31**	**6,503.73**	**914.33**	**7,418.06**

NOTES

to the standalone financial statements for the year ended 31 March 2017

Reconciliation of total equity as at 31 March 2016 and 01 April 2015

(₹ in million)

	Notes	As at 31 March 2016	As at 01 April 2015
Total equity/(Shareholders' funds) under previous GAAP		**9,570.46**	**1,569.24**
Adjustments:			
Measurement of investments in equity instruments at fair value	b	2,440.22	919.35
Measurement of investments in mutual funds at fair value	b	36.55	-
Measurement of derivative contracts at fair value	c	(0.26)	-
Share options granted to employees of subsidiary companies	m	8.57	-
Measurement of financial guarantees extended to subsidiary companies	n	3.21	-
ESOP Trust consolidation	k	0.10	0.15
Total adjustment to equity		**2,488.39**	**919.50**
Total equity under Ind AS		**12,058.85**	**2,488.74**

Effect of Ind AS adoption in the statement of profit and loss for the year ended 31 March 2016:

(₹ in million)

	Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from operations	a	3,967.74	118.97	4,086.71
Other income	b,n	115.77	39.76	155.53
Total Income		**4,083.51**	**158.73**	**4,242.24**
EXPENSES				
Cost of materials consumed		1,551.16	(21.85)	1,529.31
Purchases of stock-in-trade		541.47	-	541.47
Changes in inventories of finished goods, stock-in-trade and work-in-progress		117.24	-	117.24
Excise duty on sale of goods	a	-	140.82	140.82
Employee benefits expense	d,e,m	381.95	6.45	388.40
Finance costs		164.42	-	164.42
Depreciation and amortisation expense	h	242.89	(1.09)	241.80
Other expenses	c,h,i	1,007.47	6.75	1,014.22
Total expenses		**4,006.60**	**131.08**	**4,137.68**
Profit/(loss) before tax and exceptional items		**76.91**	**27.65**	**104.56**
Exceptional items	i	(5.40)	5.40	-
Profit before tax		**71.51**	**33.05**	**104.56**
Tax expenses				
(1) Current tax		-	-	-
(2) Deferred tax		0.69	-	0.69
		0.69	**-**	**0.69**
Profit/(loss) for the year		**70.82**	**33.05**	**103.87**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefits plans	d,j	-	6.95	6.95
Fair value gain / (loss) from investment in equity instruments	b,j	-	1,520.87	1,520.87
Other comprehensive income for the year		**-**	**1,527.82**	**1,527.82**
Total comprehensive income for the year		**70.82**	**1,560.87**	**1,631.69**

Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ in million)

	Notes	As at 31 March 2016
Profit as per Previous GAAP		**70.82**
Adjustments:		
Fair valuation of mutual funds	b	36.55
Fair valuation of derivatives contracts	c	(0.26)
Impact of measuring employee stock options at fair value	e	(8.07)
Employee stock options granted to employees of subsidiary company	m	8.57
Guarantee extended to subsidiary	n	3.21
Fair value of equity investment through other comprehensive income	b	1,520.87
Total comprehensive income under Ind AS		**1,631.69**

Notes:

Under previous GAAP, total comprehensive income was not reported. Thus the above reconciliation starts with the profit under the previous GAAP.

(a) Revenue from operations

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operation. However, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not effect the total equity as at 01 April 2015 and 31 March 2016, profit before tax or total profit for the year ended 31 March 2016.

(b) Fair value of investments

(i) Under previous GAAP, long-term investments in equity were measured at cost less diminution in value other than temporary. Under Ind AS, these investments have been classified as fair value through other comprehensive income. On the date of transition to Ind AS, these investments are measured at their fair value which is higher than carrying value as per previous GAAP, resulting in an increase in the carrying amount by ₹ 918.40 million as at 01 April 2015 and by ₹ 1,521.26 million as at 31 March 2016. These changes do not affect profit before tax or total profit for the year ended 31 March 2016 because the investments have been classified as fair value through other comprehensive income.

(ii) Under previous GAAP, current investments in equity were measured at lower of cost or fair value. Under Ind AS, these have been classified as fair value through other comprehensive income. On the date of transition to Ind AS, these investments are measured at their fair values, resulting in an increase in carrying amount by ₹ 0.95 million as at 01 April 2015 and decrease in carrying amount by ₹ 0.39 million as at 31 March 2016. These changes do not affect profit before tax or total profit for the year ended 31 March 2016 because the investments have been classified as fair value through other comprehensive income.

(iii) Under previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, investments in mutual funds are classified as fair value through profit or loss with the fair value changes being recognised in the statement of profit and loss. On transitioning to Ind AS, these have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 36.55 million as at 31 March 2016. The net effect of these changes is an increase in profit before tax for the year ended 31 March 2016 by ₹ 36.55 million. On the date of transition, the Company did not have any investment in mutual funds.

(c) Fair value of derivative forward contract

Under previous GAAP, premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Under Ind AS, forward exchange contracts are financial instruments which are measured at fair value. On the date of transition, the derivative instruments are classified as fair valued through profit or loss. The net effect of these changes is a decrease in total equity and financial asset by ₹ 0.26 million as at 31 March 2016 (₹ Nil as at 01 April 2015) and decrease in total profits by ₹ 0.26 million for the year ended 31 March 2016.

(d) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. The actuarial gain for the year ended 31 March 2016 was ₹ 6.95 million. This change does not affect total equity, but there is a decrease in total profit by ₹ 6.95 million for the year ended 31 March 2016.

(e) Share-based payments

Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. Accordingly, all the unvested options on the date of transition are measured at fair value. The excess of stock compensation expense measured using fair value over the cost recognized under previous GAAP has been adjusted in 'employee stock options outstanding', with the corresponding impact taken to the retained earnings as on the

NOTES

to the standalone financial statements for the year ended 31 March 2017

transition date. The change does not affect total equity, but there is a decrease in profit before tax as well as total profit for the year ended 31 March 2016 by ₹ 8.07 million.

(f) Trade receivables

Under previous GAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liabilities since there is recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of financial liabilities. This has resulted in increase in trade receivables and other financial liabilities by ₹ 69.65 million and ₹ 16.44 million as at 31 March 2016 and 01 April 2015 respectively.

(g) Loan initiation costs

Under previous GAAP, the Company had followed the policy to carry the loan initiation costs under prepaid expense and amortised the same over the term of the related loans. Under Ind AS, loan initiation costs are netted off from borrowings and amortised over the term of the related loan. This has resulted in decrease in prepaid expenses amounting to ₹ 21.63 million (current portion of prepaid expense ₹ 4.77 million) on 01 April 2015 and ₹ 5.09 million (current portion of prepaid expenses ₹ 1.44 million) as on 31 March 2016 with a corresponding decrease in borrowings.

(h) Land classified as operating lease

Under previous GAAP lease prepayments made for leasehold land were classified as leasehold land . Under Ind AS, prepayments made for leasehold land which does not meet the recognition criteria of finance lease are classified as prepaid rent under operating lease and the same is amortised over the lease term. Accordingly, lease prepayments as on 01 April 2015 are classified from leasehold land into prepaid expenses as follows:

Non-current	: ₹ 89.53 million
Current	: ₹ 1.09 million
Total	**: ₹ 90.62 million**

During the year ended 31 March 2016, depreciation and amortisation expense towards leasehold land amounting to ₹ 1.09 million has been reclassified to rent expense. This change does not effect the total equity as at 01 April 2015 and 31 March 2016, profit before tax or total profit for the year ended 31 March 2016.

(i) Exceptional item

The transaction costs related to the acquisition was shown as exceptional item under previous GAAP. The Company has reclassified such items to other expenses in the statement of profit and loss for the year ended 31 March 2016 amounting to ₹ 5.40 million. These changes do not affect profit before tax or total profit for the year ended 31 March 2016.

(j) Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

(k) Employee stock option plan trust

With effect from transition date, the Company has consolidated employee stock option plan trust, hence the cash and bank balance held by the trust is being grouped under cash and cash equivalents amounting to ₹ 0.17 million (31 March 2016: ₹ 0.13 million) and outstanding liabilities is being grouped under other financial liabilities amounting to ₹ 0.01 million (31 March 2016: ₹ 0.03 million).

(l) Investment property

Under previous GAAP, there was no requirement to present investment property separately and the same was included under non-current assets and measured at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it. Accordingly, the carrying value of investment property as at 01 April 2015 of ₹ 63.93 million (31 March 2016: ₹ 62.89 million), under previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation is provided based on the estimated useful life. These changes do not affect profit before tax or total profit for the year ended 31 March 2016.

(m) Option granted to employees of subsidiary company

Under Ind AS, when the entity receives the goods or services without any obligation to settle the transaction, the transaction is a parent's equity contribution to the subsidiary, regardless of any intragroup repayment arrangements. Hence, the Company has accounted the option granted to subsidiary employees, as an increase in investment by ₹ 8.57 million as at 31 March 2016 with a corresponding decrease in employee stock option expense for the year ended 31 March 2016.

(n) Guarantee extended to subsidiary

Under Ind AS, financial guarantee provided by the Company over the liability of a subsidiary without any consideration are accounted as a capital contribution to the subsidiary. Accordingly ₹ 3.21 million as at 31 March 2016 has been recognised as increase in investment in subsidiary company with a corresponding impact on profit or loss. Where as under previous GAAP, these were not recognised in the financial statements. The net effect of this change is an increase in total equity by ₹ 3.21 million. as at 31 March 2016 (₹ Nil as at 01 April 2015) and increase in profit before tax and total profit by ₹ 3.21 million for the year ended 31 March 2016.

(o) Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

50 The financial statements were approved for issue by the board of directors on 23 May 2017.

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

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

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 31st March, 2017, 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 statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated 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 depends 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated loss, consolidated total comprehensive loss, 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 thirteen subsidiaries included in the consolidated IndAS financial statements, whose financial statements reflect total assets of ₹ 7,099.77 million as at 31st March, 2017, total revenues of ₹ 3,925.62 million and net cash inflows amounting to ₹ 215.07 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. 685.84 million and net cash outflows amounting to Rs. 2.55 million for the year ended on that date, as considered in the consolidated financial statements.

(b) In respect of continuing operations we did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets of ₹ 324.76 million as at 31st March, 2017, total revenues of ₹ 140.67 million and net cash inflows amounting to ₹ 27.42 million for the year ended on that date, as considered in the consolidated Ind AS 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.

(c) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of fourteen subsidiaries, included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 31st March, 2017 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 31st March 2017 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.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the Management of the respective Group entities.

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

Sathya P. Koushik
Partner
(Membership No. 206920)

Thane, 23 May, 2017
SPK/JKS/2017

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 31st March 2017, 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 31st March, 2017, 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 three 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, 23 May, 2017
SPK/JKS/2017

CONSOLIDATED BALANCE SHEET

as at 31 March 2017

(₹ in million)

		Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
A	ASSETS				
1.	**Non-current assets**				
	(a) Property, plant and equipment	3	3,995.29	4,075.30	3,432.28
	(b) Capital work-in-progress	3	15.94	217.47	367.41
	(c) Goodwill	4	2,242.37	1,297.87	710.65
	(d) Other intangible assets	5	605.62	491.67	131.75
	(e) Intangible assets under development	5	309.54	17.74	23.16
	(f) Financial assets				
	(i) Investments	6	3,639.74	3,605.79	1,498.77
	(ii) Loans	7	4.50	5.00	-
	(iii) Other financial assets	8	54.49	45.86	46.95
	(g) Deferred tax assets(Net)	25	211.19	51.28	46.88
	(h) Other non-current assets	9	690.09	567.46	602.61
	Total non-current assets		**11,768.77**	**10,375.44**	**6,860.46**
2.	**Current assets**				
	(a) Inventories	10	1,608.07	1,350.76	943.59
	(b) Financial assets				
	(i) Investments	11	641.16	669.78	6.77
	(ii) Trade receivables	12	2,546.19	1,923.86	1,234.80
	(iii) Cash and cash equivalents	13	435.21	200.26	293.48
	(iv) Bank balances other than (iii) above	14	38.83	52.71	106.80
	(v) Loans	15	23.42	10.75	6.99
	(vi) Other financial assets	16	90.96	51.47	13.74
	(c) Other current assets	17	560.22	501.83	435.95
			5,944.06	**4,761.42**	**3,042.12**
	Asset classified as held for sale	18	1,333.31	143.97	150.00
	Total current assets		**7,277.37**	**4,905.39**	**3,192.12**
	Total assets		**19,046.14**	**15,280.83**	**10,052.58**
B	EQUITY AND LIABILITIES				
I	**Equity**				
	(a) Equity share capital	19	487.47	476.47	304.85
	(b) Other equity	20	9,280.44	8,980.58	968.97
	Equity attributable to owners of the Company		**9,767.91**	**9,457.05**	**1,273.82**
	(c) Non- controlling Interest	21	172.18	22.17	1,253.96
	Total equity		**9,940.09**	**9,479.22**	**2,527.78**
II	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	22	1,651.39	2,113.20	2,470.84
	(ii) Other financial liabilities	23	546.24	590.90	513.68
	(b) Provisions	24	145.03	136.02	99.79
	(c) Deferred Tax Liabilities(Net)	25	88.88	53.31	16.38
	(d) Other non current liabilities	26	39.02	4.45	3.21
	Total non-current liabilities		**2,470.56**	**2,897.88**	**3,103.90**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	27	1,947.00	560.38	2,043.07
	(ii) Trade payables	28	2,030.41	1,439.35	909.35
	(iii) Other financial liabilities	29	1,032.75	682.79	1,336.41
	(b) Provisions	30	13.49	18.08	8.94
	(c) Current tax liabilities (Net)	31	51.94	53.64	40.97
	(d) Other current liabilities	32	377.63	149.49	82.16
	Total current liabilities		**5,453.22**	**2,903.73**	**4,420.90**
	Liabilities directly associated with assets classified as held for sale	40	1,182.27	-	-
	Total liabilities		**9,106.05**	**5,801.61**	**7,524.80**
	Total equity and liabilities		**19,046.14**	**15,280.83**	**10,052.58**
	See accompanying notes to the consolidated financial statements				

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

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

Sathya P. Koushik
Partner

Manish Gupta
Managing Director & Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(₹ in million)

		Notes	Year ended 31 March 2017	Year ended 31 March 2016
I	Revenue from operations	33	9,150.81	6,214.10
II	Other income	34	110.75	132.93
III	**Total Income (I+II)**		**9,261.56**	**6,347.03**
IV	**Expenses**			
(a)	Cost of materials consumed	35.a	3,901.41	1,995.97
(b)	Purchases of stock-in-trade	35.b	724.46	934.71
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	35.c	(188.63)	67.64
(d)	Excise duty on sale of goods		154.37	152.04
(e)	Employee benefits expense	36	1,305.54	866.70
(f)	Finance costs	37	362.77	381.45
(g)	Depreciation and amortisation expense	38.a	622.95	457.22
(h)	Other expenses	38.b	2,372.31	1,645.27
	Total expenses (IV)		**9,255.18**	**6,501.00**
V	**Profit/(Loss) before tax (III-IV)**		**6.38**	**(153.97)**
VI	**Tax expense**			
	(1) Current tax	39	70.65	29.37
	(2) Deferred tax	39	(37.66)	(3.68)
	(3) Current tax expense of earlier years	39	(37.12)	-
			(4.13)	**25.69**
VII	**Profit/(Loss) from continuing operation after tax (V-VI)**		**10.51**	**(179.66)**
VIII	Profit/(Loss) from discontinued operation	40	(174.38)	16.31
IX	Tax expense of discontinued operation	40	-	0.53
X	**Profit/(Loss) from discontinued operation after tax (VIII-IX)**		**(174.38)**	**15.78**
XI	**Profit/(Loss) for the year (VII+X)**		**(163.87)**	**(163.88)**
XII	**Other comprehensive income**			
A.	Items that will not be reclassified to profit or loss			
	(a) Re-measurement of the defined benefits plans	20	(1.44)	5.63
	(b) Fair value gain / (loss) from investment in equity instruments	20	33.91	1,520.87
B.	Items that may be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operation	20	(34.85)	100.32
	(b) Exchange differences on net investment in foreign operations	20	(40.79)	-
	Total other comprehensive income		**(43.17)**	**1,626.82**
XIII	**Total comprehensive income for the year (XIII+XIV)**		**(207.04)**	**1,462.94**
Profit for the year attributable to:				
- Owners of the company			(138.24)	(184.69)
- Non-controlling interests			(25.63)	20.81
			(163.87)	**(163.88)**
Other comprehensive income for the year attributable to:				
- Owners of the company			(29.81)	1,626.55
- Non-controlling interests			(13.36)	0.27
			(43.17)	**1,626.82**
Total comprehensive income for the year attributable to:				
- Owners of the company			(168.05)	1,441.86
- Non-controlling interests			(38.99)	21.08
			(207.04)	**1,462.94**
Earnings per equity share (for continuing operations)				
(1) Basic (in ₹)		42	(0.26)	(0.92)
(2) Diluted (in ₹)		42	(0.26)	(0.92)
Earnings per equity share (for discontinued operations)				
(1) Basic (in ₹)		42	(0.32)	0.04
(2) Diluted (in ₹)		42	(0.32)	0.04
Earnings per equity share (for discontinued and continuing operations)				
(1) Basic (in ₹)			(0.58)	(0.88)
(2) Diluted (in ₹)			(0.58)	(0.88)
See accompanying notes to the consolidated financial statements				

In terms of our report attached
For **Deloitte Haskins & Sells**
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Sathya P. Koushik
Partner

Thane, 23 May 2017

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

Manish Gupta
Managing Director & Chief Executive Officer

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Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

(₹ in million)

		Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities			
Net Loss before tax (from continuing and discontinued operations)		(168.00)	(137.66)
Adjustments for:			
Depreciation and amortisation		660.65	462.20
Tangible/Intangible assets written off		2.57	2.51
Advances written off		1.22	4.43
Bad trade receivables written off		0.62	13.40
Provision for doubtful trade receivables		9.47	5.11
Unrealised forex loss / (gain) (net)		138.20	20.70
Profit on sale of investment		(0.74)	(20.42)
Loss/(profit) on sale of assets (net)		0.11	4.94
Finance cost		423.34	385.57
Dividend income		(16.60)	(10.60)
Share-based payments to employee		74.54	64.12
Interest income		(10.61)	(32.19)
Sundry balances written back (net)		-	(25.17)
Net gain/(loss) on financial instruments measured at fair value through profit or loss		(38.98)	(36.55)
Rental income		(10.68)	-
Operating profit before working capital changes		**1,065.11**	**700.39**
Changes in working capital			
(Increase)/decrease in trade receivables, loans and advances and other assets		(556.20)	(328.51)
(Increase)/decrease in inventories		(233.13)	(68.41)
Increase/(decrease) in trade payables, other payables and provisions		(267.08)	(366.59)
Increase/(decrease) margin money and unpaid dividend accounts		12.69	48.89
Net change in working capital		**(1,043.72)**	**(714.62)**
Cash generated from operations		**21.39**	**(14.23)**
Direct taxes paid/(refund)		(93.29)	13.69
Net cash generated from operating activities	A	**(71.90)**	**(0.54)**
Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(787.44)	(655.38)
Assets acquired from Lyka		-	(326.57)
Proceeds from sale of fixed assets		36.18	23.38
Investment in equity instruments (including warrants) of other entities		-	(585.76)
Purchase of current investments		(590.35)	(1,785.90)
Proceeds from sale of current investments		665.34	1,179.47
Purchase of long-term investments		(0.83)	-
Dividend received		16.60	10.60
Consideration paid for acquisition of subsidiaries		(751.68)	(1,050.70)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries		118.09	-
Interest received		11.63	32.59
Advance consideration received from sale of subsidiary		110.00	-
Rental income		10.68	-
Net cash used in investing activities	B	**(1,161.78)**	**(3,158.27)**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

(₹ in million)

		Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from financing activities			
Proceeds / (repayment) from short-term borrowings (net)		1,238.20	(1,697.67)
Proceeds / (repayment) from long-term borrowings (net)		198.69	(293.20)
Interest and other borrowing cost paid (including borrowing cost capitalised ₹ 5.89 Million) (31 March 2016 ₹ 5.06 Million) (Refer note 3a)		(367.94)	(404.25)
Share issue expenses		-	(48.67)
Proceeds from issue of shares		405.43	5,400.11
Proceeds from issue of warrants		-	130.63
Net cash generated from financing activities	C	**1,474.38**	**3,086.95**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	240.70	(71.86)
Cash and cash equivalents at beginning of the year		200.26	218.48
Translation effect		-	53.64
Cash and cash equivalents at end of the year		**440.96**	**200.26**
Reconciliation of cash and cash equivalents with the balance sheet			
Cash and cash equivalents as per balance sheet (Refer note 13)		435.21	200.26
Cash and cash equivalents of discontinued operations (Refer note 40B)		5.75	-
Net cash and cash equivalents at the end of the year		**440.96**	**200.26**

Notes: The cash flow statement reflects the combined cash flows pertaining to continuing and discontinuing operations

See accompanying notes to the financial statements

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Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended 31 March 2017

(a) Equity share capital

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	47,647,239	476.47	30,485,191	304.85	30,485,191	304.85
Changes in equity share capital during the year	5,500,000	11.00	17,162,048	171.62	-	-
Balance at the end of the reporting period	53,147,239	487.47	47,647,239	476.47	30,485,191	304.85

(b) Other equity

(₹ in million)

	Reserves & Surplus (Note 20)									Other comprehensive income (Note 20)		Money received against share warrants (Note 20)	Total
	Capital Reserve	Securities Premium Account	Employees Stock Options Outstanding	General reserve	Treasury reserve	Translation reserve	Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings	Fair value of equity instruments	Remeasurements of the defined benefit Plans		
Balance at 01 April 2015	**12.47**	**1,730.04**	**60.63**	**144.44**	**(65.82)**	**-**	**(298.43)**	**-**	**(1,812.68)**	**919.35**	**(9.11)**	**288.08**	**968.97**
Profit for the year	-	-	-	-	-	-	-	-	(184.69)	-	-	-	(184.69)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	1,520.87	5.63	-	1,526.50
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(184.69)**	**1,520.87**	**5.63**	**-**	**1,341.81**
Additions during the year	0.45	-	-	-	-	-	-	-	-	-	-	-	0.45
Included on account of purchase of share held by non-controlling interest	-	-	-	-	-	-	-	(1,138.97)	-	-	-	-	(1,138.97)
Utilised during the year for writing off share issue expenses	-	(46.37)	-	-	-	-	-	-	-	-	-	-	(46.37)
Reversed on acquisition of non-controlling interest	(1.82)	-	-	-	-	-	-	-	-	-	-	-	(1.82)
Recognition of share-based payments	-	-	49.24	-	-	-	-	-	-	-	-	-	49.23
Issue of Share against warrants	-	-	-	-	-	-	-	-	-	-	-	(157.45)	(157.45)
ESOP trust consolidated	-	-	-	-	13.39	-	-	-	(0.07)	-	-	-	13.32
Movement in translation reserve during the year	-	-	-	-	-	100.32	-	-	-	-	-	-	100.32
Recognition of put option liability during the year	-	-	-	-	-	-	(59.40)	-	-	-	-	-	(59.40)
Transfer to non-controlling interest	-	-	-	-	-	(0.27)	-	2.70	-	-	-	-	2.43
Premium on shares issued during the year	-	7,908.05	-	-	-	-	-	-	-	-	-	-	7,908.05
Balance at 31 March 2016	**11.10**	**9,591.72**	**109.87**	**144.44**	**(52.43)**	**100.05**	**(357.83)**	**(1,136.27)**	**(1,997.45)**	**2,440.22**	**(3.48)**	**130.63**	**8,980.58**
Profit for the year	-	-	-	-	-	-	-	-	(138.24)	-	-	-	(138.24)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	33.91	(1.44)	-	32.47
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(138.24)**	**33.91**	**(1.44)**	**-**	**(105.77)**
Recognition of share-based payments	-	-	45.63	-	-	-	-	-	-	-	-	-	45.63
Issue of Share against warrants	-	-	-	-	-	-	-	-	-	-	-	(130.63)	(130.63)
ESOP trust consolidated	-	-	-	-	11.98	-	-	-	-	-	-	-	11.98
Movement in translation reserve during the year	(0.68)	-	-	-	-	(75.64)	-	-	-	-	-	-	(76.32)
Recognition of put option liability during the year	-	-	-	-	-	-	(0.35)	-	-	-	-	-	(0.35)
Transfer to non-controlling interest	-	-	-	-	-	11.97	-	-	-	-	1.38	-	13.35
Premium on shares issued during the year	-	538.93	-	-	-	-	-	-	-	-	-	-	538.93
Vested ESOP lapsed during the year	-	-	-	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)**	**(2,135.69)**	**2,474.13**	**(3.54)**	**-**	**9,280.44**
See accompanying notes to the financial statements													

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Thane, 23 May 2017

NOTES

to the consolidated financial statements for the year ended 31 March 2017

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), Human Health (APIs) and Analytical Services.

The Company is headquartered in Thane, India, with eleven 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.

Upto the year ended 31 March 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2015. Refer note 51 for the details of first-time adoption exemptions availed by the Group.

(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 (upto two decimals).

(iv) Basis of consolidation

These consolidated financial statements include financial statements of the Company and all of its subsidiaries drawn up to the dates specified in note 43. Subsidiaries are all entities over which the Group has control. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

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

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

Non-controlling interests 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 interests.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests 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.

(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

NOTES

to the consolidated financial statements for the year ended 31 March 2017

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.

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 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.

b) Services

Income from technical service, support services 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.

Income from analytical service 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. 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.

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 Group, 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 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; or
- 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 interests 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 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.

(x) Borrowing costs

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

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

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

(xi) Employee Benefits

a) Defined benefit plans

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

NOTES

to the consolidated financial statements for the year ended 31 March 2017

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

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

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

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

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. 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 recognises 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 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 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, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future years. Accordingly, MAT is recognised as an assets 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

a) Recognition and measurement

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

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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 financial period, 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 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.

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.

(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 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) **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.

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

Intangible assets acquired in a business combination and 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 and 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 on first in first out basis as follows:

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

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

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

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.

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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 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.

(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 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 and reversals and foreign exchange gain loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

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

All equity instruments 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 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 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 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.

(v) Derecognition of financial assets

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

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

(ii) Financial liabilities at FVTPL

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

c) Derivative financial instruments

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

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- 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 the OCI.

- 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 'other income'.

- 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

a) **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 receivable.

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.

b) **Non-financial assets**

The Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units(CGU) or 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.

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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 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 each financial year end on the government bonds.

(vi) Provisions and contingencies

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

2C. New standards and interpretations not yet adopted

Amendment to Ind AS 7 - Statement of Cash Flows

The amendment to Ind AS 7 - Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements.

Amendment to Ind AS 102 – Share-based payment

The amendment to Ind AS 102 – Share-based payment provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group has evaluated the requirements of the amendment and there is no impact on the consolidated financial statements.

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(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS			
Carrying Amount of			
Freehold land	541.55	491.10	403.46
Lease hold property-development	2.26	0.77	0.81
Building	1394.19	1,363.67	1,072.06
Furniture and fixtures	39.36	26.95	16.24
Office equipments	12.09	13.88	14.49
Computers	14.46	10.42	10.65
Plant and machinery	1,943.30	2,121.80	1,872.47
Vehicles	48.08	46.71	42.10
	3,995.29	4,075.30	3,432.28
Capital work-in-progress	15.94	217.47	367.41
	4,011.23	4,292.77	3,799.69

(₹ in million)

	Freehold land	Lease hold property-development	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Cost or deemed cost									
Balance as on 01 April 2015	403.46	0.81	1,072.06	16.24	14.49	10.65	1,872.47	42.10	3,432.28
Additions	82.43	-	172.53	9.30	1.80	4.13	360.68	8.03	638.90
Assets acquisitions through business combination	5.68	-	223.70	8.00	3.82	2.31	293.70	12.96	550.17
Effect of foreign currency exchange differences	(0.47)	-	(8.66)	(0.73)	0.01	(1.01)	(14.99)	(1.00)	(26.85)
Borrowing cost capitalised	-	-	0.13	-	-	-	3.99	-	4.12
Deletions	-	-	-	0.25	0.01	-	35.14	7.40	42.80
Balance as on 31 March 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 acquisitions through business combination	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 as held for sale	-	-	28.26	-	-	-	-	-	28.26
Deletions	-	-	16.58	0.46	0.85	-	41.03	5.09	64.01
Assets classified under discontinued operations	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

(₹ in million)

	Freehold land	Lease hold property-development	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Accumulated depreciation									
Balance as on 01 April 2015	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	0.03	53.60	3.87	3.31	5.64	313.56	7.04	387.05
Assets acquisitions through business combination	-	-	51.45	2.71	0.60	1.03	78.94	12.57	147.30
Effect of foreign currency exchange differences	-	0.01	(8.96)	(0.81)	2.32	(1.01)	(21.92)	(0.26)	(30.63)
Deletions	-	-	-	0.16	-	-	11.67	11.37	23.20
Balance as on 31 March 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)
Amount charged against retained earnings	-	-	-	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	0.33	-	-	24.54	0.28	25.15
Accumulated depreciation classified under discontinued operations	-	-	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**

(₹ in million)

Carrying amount	Freehold land	Lease hold property-development	Building	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2015	403.46	0.81	1,072.06	16.24	14.49	10.65	1,872.47	42.10	3,432.28
Balance as on 31 March 2016	491.10	0.77	1,363.67	26.95	13.88	10.42	2,121.80	46.71	4,075.30
Balance as on 31 March 2017	541.55	2.26	1394.19	39.36	12.09	14.46	1,943.30	48.08	3,995.29

NOTES

to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4 GOODWILL			
Cost or deemed cost	2,242.37	1,297.87	710.65
	2,242.37	1,297.87	710.65

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
Cost or deemed cost		
Balance at beginning of the year	1,297.87	710.65
Additional amounts recognised from business combinations occurring during the year (Refer note 49)	909.85	377.10
Additional amounts recognised from purchase of Lyka Exports Limited	-	97.85
Effect of foreign currency exchange differences	34.65	112.27
Balance at end of the year	2,242.37	1,297.87

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 OTHER INTANGIBLE ASSETS			
Carrying Amounts of			
Product process development	63.35	99.21	124.67
Acquired software	11.73	10.75	7.08
Brands, marketing rights and trade marks	427.79	379.26	-
Know hows	0.01	2.45	-
Customer relationships	102.74	-	-
	605.62	491.67	131.75
Intangible assets under development	309.54	17.74	23.16
	915.16	509.41	154.91

(₹ in million)

	Product process development	Acquired software	Brands, marketing rights and trade marks	Know hows	Customer realtionships	Total
Cost or deemed cost						
Balance as on 01 April 2015	124.67	7.08	-	-	-	131.75
Additions from separate acquisitions	94.27	4.04	-	4.02	-	102.33
Addition through business combinations	-	3.28	398.10	-	-	401.38
Effect of foreign currency exchange differences	(58.98)	(0.58)	7.43	-	-	(52.13)
Balance as on 31 March 2016	**159.96**	**13.82**	**405.53**	**4.02**	**-**	**583.33**
Additions from separate acquisitions	-	10.71	-	-	-	10.71
Additions from internal developments	23.12	-	-	-	-	23.12
Addition through business combinations	-	1.26	212.00	-	102.25	315.51
Effect of foreign currency exchange differences	-	(0.58)	(61.44)	-	0.49	(61.53)
Assets classified under discontinued operation	-	2.65	-	4.02	-	6.67
Balance as on 31 March 2017	**183.08**	**22.56**	**556.09**	**-**	**102.74**	**864.47**

(₹ in million)

	Product process development	Acquired software	Brands, marketing rights and trade marks	Know hows	Customer realtionships	Total
Accumulated amortisation						
Balance as on 01 April 2015	-	-	-	-	-	-
Amortisation expense	102.69	3.42	67.79	0.05	-	173.95
Additions through business combination	-	0.23	-	1.52	-	1.75
Effect of foreign currency exchange differences	(41.94)	(0.58)	(41.52)	-	-	(84.04)
Balance as on 31 March 2016	**60.75**	**3.07**	**26.27**	**1.57**		**91.66**
Amortisation expense	58.98	9.01	124.16	0.31	-	192.46
Effect of foreign currency exchange differences	-	(0.08)	(22.13)	-	-	(22.21)
Accumulated amortisation classified discontinued operations	-	1.17	-	1.89	-	3.06
Balance as on 31 March 2017	**119.73**	**10.83**	**128.30**	**(0.01)**	**-**	**258.85**

(₹ in million)

	Product process development	Acquired software	Brands, marketing rights and trade marks	Know hows	Customer realtionships	Total
Carrying amount						
Balance as on 01 April 2015	124.67	7.08	-	-	-	131.75
Balance as on 31 March 2016	99.21	10.75	379.26	2.45	-	491.67
Balance as on 31 March 2017	63.35	11.73	427.79	0.01	102.74	605.62

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

		Face Value	No. of shares	As at 31 March 2017	No. of shares	As at 31 March 2016	No. of shares	As at 01 April 2015
6	NON-CURRENT INVESTMENTS							
A	Quoted equity instruments carried at Faire value through other comprehensive income							
i)	Strides Shasun Limited (Refer note (a) below)	₹ 10.00	3,312,500	3,638.78	3,312,500	3,605.66	3,500,000	1,303.40
ii)	Shasun Pharmaceuticals Limited (Refer note (b) below)	-	-	-	-	-	-	195.25
iii)	Accions Banc Sabadell	€ 0.13	2,800	0.26	-	-	-	-
iv)	Accions Caixabank	€ 1.00	220	0.05	-	-	-	-
v)	Accions Banco Popular Español	€ 0.10	363	0.02	-	-	-	-
vi)	Accions Endesa	€ 1.20	98	0.09	-	-	-	-
vii)	Accions Bantierra	-	-	0.02	-	-	-	-
viii)	Fons Inversio Banco Popular (Ev Gar Extramoda)	€ 1.00	47	0.33	-	-	-	-
ix)	Accions Caixabank	€ 1.00	220	0.06	-	-	-	-
				3,639.61		3,605.66		1,498.65
B	Unquoted equity instruments carried at cost							
i)	Panoli Enviro Tech Ltd.	₹ 10.00	-	-	-	-	23,700	-
ii)	Ambarnath Chemical Manufacturers	₹ 10.00	1,000	0.01	1,000	0.01	1,000	0.01
iii)	Tarapur Industrial Manufacturers	₹ 10.00	2,000	0.04	2,000	0.04	2,000	0.04
				0.05		0.05		0.05
C	Investment in government securities carried at amortised cost							
i)	National Saving Certificate	-	-	0.02	-	0.02	-	0.02
ii)	NSC VIII Issue - Tarapur	-	-	0.06	-	0.06	-	0.05
				0.08		0.08		0.07
	Total Non Current Investments (A + B + C)			3,639.74		3,605.79		1,498.77
	Aggregate carrying value of unquoted investments	-	-	0.13	-	0.13	-	0.12
	Aggregate market value of quoted investments	-	-	3,639.61	-	3,605.66	-	1,498.65

Notes:

(a) During 2015-16, the Company converted 7,100,000 warrants of Shasun Pharmaceutical Limited to equal number of equity shares of ₹ 2 each. With this conversion, the Company had 10,600,000 equity shares of Shasun Pharmaceuticals Limited. Subsequently, pursuant to scheme of amalgamation between Strides Arcolab Limited and Shasun Pharmaceuticals Limited, the Company has received 3,312,500 equity shares of ₹ 10 each in the amalgamated entity (Strides Shasun Limited) in lieu of 10,600,000 shares of Shasun Pharmaceuticals Limited.

(b) Quoted investment in equity instruments of other entities includes ₹ Nil (31 March 2016: ₹ Nil) (01 April 2015: ₹ 195.25 Million) investment made in Shasun Pharmaceuticals Limited towards 25% of amount paid for subscription of 7,100,000 of warrants at a price of ₹ 110 per warrant. Each warrant is convertible into one equity share of face value of ₹ 2 each on payment of balance subscription amount of ₹ 585.75 Million on or before 28 November 2015. The Company has converted the warrants to equivalent number of equity shares during 2015-16.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
7 NON-CURRENT LOANS			
Loans to other parties	4.50	5.00	-
Total	4.50	5.00	-

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8 OTHER NON-CURRENT FINANCIAL ASSETS			
Security deposits	41.62	43.59	44.68
Security deposits to related parties	-	2.27	2.27
Margin money deposits	12.87	-	-
Total	54.49	45.86	46.95

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9 OTHER NON-CURRENT ASSETS			
Capital advances	20.66	32.39	89.34
Security deposit with government	1.40	-	-
Advance Income-Tax (net of provision ₹ 174.27 milions) (As at 31 March 2016 ₹ 122.31 million) and (As at 01 April 2017 ₹ 111.70 million)	91.43	69.50	38.00
Prepaid expenses	576.60	465.44	475.27
Balances with government authorities	-	0.13	-
Total	690.09	567.46	602.61

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
10 INVENTORIES			
(At lower of cost and net realisable value)			
Raw materials and packing materials	504.86	378.20	307.98
Goods-in transit	-	103.78	64.47
	504.86	481.98	372.45
Work-in-progress and intermediates	372.02	341.23	247.27
Finished goods	714.07	303.65	315.67
Goods-in transit	12.15	0.93	2.42
	726.22	304.58	318.09
Stock-in-trade	0.76	217.16	-
Fuel	4.21	5.81	5.78
Total	1,608.07	1,350.76	943.59

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

		Face value	No. of shares / units	As at 31 March 2017	No. of shares / units	As at 31 March 2016	No. of shares / units	As at 01 April 2015
11	**CURRENT INVESTMENTS**							
A	**Quoted equity instruments (Fully paid up) carried at fair value through other comprehensive income (FVTOCI)**							
	i) Agrodutch Industries Limited	₹ 10.00	36,250	0.04	36,250	0.10	36,250	0.09
	ii) Transchem Limited	₹ 10.00	32,500	0.73	32,500	0.57	32,500	0.73
	iii) Techindia Nirman Limited	₹ 10.00	18,270	0.09	18,270	0.06	18,270	0.06
	iv) Nath Bio Genes (I) Limited	₹ 10.00	6,930	1.03	6,930	0.56	6,930	0.81
	v) Agritech (India) Limited	₹ 10.00	6,300	0.24	6,300	0.05	6,300	0.04
				2.13		**1.34**		**1.73**
B	**Other Unquoted equity instruments (Fully paid up) carried at cost**							
	Aditya Investment & Communication Limited	₹ 10.00	58,800	-	58,800	-	58,800	-
C	**Unquoted mutual funds - carried at fair value through profit or loss (FVTPL)**							
	i) Hulk Bank		-	18.33	-	46.47	-	4.95
	ii) Garanti Bank		-	0.05	-	0.42	-	0.09
	iii) Reliance Short-Term Fund - Growth Plan - Growth Option		-	-	7,117,557	201.27	-	-
	iv) Reliance Liquid Fund - Treasury Plan - Daily Dividend Option		88,319	135.02	-	-	-	-
	v) Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		2,129	8.42	-	-	-	-
	vi) Tata Short-Term Bond Fund- Regular Plan- Growth		-	-	3,778,219	106.40	-	-
	vii) Birla Sun Life Savings Fund - Growth- Regular Plan		232,888	209.24	363,772	106.54	-	-
	viii) UTI Short-Term Income Fund - Institutional Option- Growth		11,224,894	223.81	9,673,710	175.73	-	-
	ix) DSP Blackrock Short-Term Fund-Regular Plan- Growth		-	-	1,229,725	31.61	-	-
	x) IDFC Corporate Bond Fund		13,656,142	44.16	-	-	-	-
				639.03		**668.44**		**5.04**
	Total current investments (A + B + C)			**641.16**		**669.78**		**6.77**
	Aggregate market value of quoted investments			2.13		1.34		1.73
	Aggregate net carrying value of unquoted investments			639.03		668.44		5.04

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
12 TRADE RECEIVABLES			
Unsecured, considered good	2,546.19	1,923.86	1,234.80
Unsecured, considered doubtful	81.94	49.95	46.40
	2,628.13	**1,973.81**	**1,281.20**
Less: Allowance for doubtful debts	81.94	49.95	46.40
	81.94	**49.95**	**46.40**
Total	**2,546.19**	**1,923.86**	**1,234.80**

Note:

During the year, the Group discounted trade receivables with an aggregate carrying amount of ₹ 181.12 million 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 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 a financial liability.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
13 CASH AND CASH EQUIVALENTS			
Balances with banks			
- In current accounts	430.29	179.09	289.13
- In deposit accounts	0.01	8.15	0.01
- In EEFC accounts	-	0.07	0.21
Cash on hand	3.46	4.04	0.70
Cheques, drafts on hand	1.45	8.91	3.38
Remittance in transit	-	-	0.05
Total	**435.21**	**200.26**	**293.48**

Note:

Balance with banks in current account includes ₹ Nil (31 March 2016: ₹ Nil); (01 April 2015 ₹ 75 million) which has restrictions on utilisation of funds for capital projects.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
14 BANK BALANCES OTHER THAN (NOTE 13) ABOVE			
In earmarked accounts			
- Unpaid dividend accounts	0.10	0.10	0.11
- Margin money deposits (Refer note (i) below)	38.73	52.61	106.69
Total	**38.83**	**52.71**	**106.80**

Note:

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

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
15 CURRENT LOANS			
Unsecured, considered good			
Loans to related parties	0.11	0.13	-
Loans to employees	5.70	9.94	1.76
Loans to others	17.61	0.68	5.23
	23.42	**10.75**	**6.99**
Unsecured, considered doubtful			
Loans to others	9.62	9.61	9.61
	9.62	**9.61**	**9.61**
Less: Allowance for doubtful advances	9.62	9.61	9.61
	-	-	-
Total	**23.42**	**10.75**	**6.99**

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
16 OTHER CURRENT FINANCIAL ASSETS			
Claims receivable	71.95	44.34	8.30
Derivative instrument (fair value)	11.15	2.05	0.08
Due from related parties	-	-	-
Interest accrued on fixed deposits	1.96	3.40	3.85
Security deposit	5.90	1.68	1.51
	90.96	51.47	13.74

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
17 OTHER CURRENT ASSETS			
Advance to suppliers	131.24	123.37	57.56
Balances with government authorities	380.22	326.88	328.77
Prepaid expenses	41.97	47.13	27.30
Advance Tax (net of provision ₹ Nil) (As at 31 March 2016 ₹ Nil) and (As at 01 April 2015 ₹ Nil)	4.05	4.22	22.32
Others	2.74	0.23	-
Total	560.22	501.83	435.95

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
18 ASSETS CLASSIFIED AS HELD FOR SALE			
Assets pertaining to discontinued operation (Refer note 40)	1,333.31	-	-
Leasehold land and building	-	143.97	150.00
Total	1,333.31	143.97	150.00

Note:

Pursuant to the approval of Board of Directors of the Company and shareholders received vide postal ballot dated 24 March 2017 for the divestment of woman healthcare business, the Company has entered into a definitive agreement for sale of subsidiary (Naari Pharma Private Limited) with Tenshi Life Science Private Limited and accordingly as on 31 March 2017 the assets of the subsidiary has been classified as held for sale, pending completion of certain conditions precedent and other customary closing conditions. In respect of the assets held for sale as at 31 March 2016, the company intended not to dispose the same and hence the said assets are reclassified to respective assets Group.

(₹ in million)

		No. of Shares	As at 31 March 2017	No. of Shares	As at 31 March 2016	No. of Shares	As at 01 April 2015
19 SHARE CAPITAL							
(a)	**Authorised**						
	Equity shares of ₹ 2 each (Refer note (i) below)	250,000,000	500.00	250,000,000	500.00	50,000,000	500.00
(b)	**Issued and subscribed and fully paid-up**						
	Equity shares of ₹ 2 each (Refer note (i) below)	243,736,195	487.47	238,236,195	476.47	30,485,191	304.85
Total			487.47		476.47		304.85

Notes:

(i) During 2015-16, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity share of ₹ 2 each with effect from 26 February 2016.

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

(₹ in million)

	No. of Shares	Share capital
Fully paid equity shares		
Balance at 01 April 2015	30,485,191	304.85
Shares issued during the year	17,162,048	171.62
Balance at 31 March 2016 (Face value ₹ 10 per share)	**47,647,239**	**476.47**
Shares outstanding at the end of the year face value ₹ 2 per share (01 April 2015 - ₹ 10 per share) (Refer note (i) above)	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**

Note:

a **Conversion of warrants**

Current Year

Conversion of 5,500,000 warrants issued during 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.

Previous Year

1 Conversion of 2,000,000 warrants issued during the year 2014-15 on preferential basis at a conversion price of ₹ 222.15 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 21 May 2014.

2 3,000,000 warrants on preferential basis at a conversion price of ₹ 236 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 01 July 2014.

3 1,100,000 warrants at a conversion price of ₹ 475 per equity share of the Company as approved in the Extra Ordinary General Meeting dated 31 March 2015.

b The Company on 26 May 2015 issued 7,476,635 equity shares of ₹ 10 each at a price of ₹ 535 per equity share to Qualified Institutional Buyers.

c During the previous year, the Company issued on a preferential basis to Promoter Group entities and Non- Promoter Group entities 757,734 and 2,827,679 equity shares of ₹ 10 each respectively at a price of ₹ 669.10 per equity share for consideration other than cash.

(iii) Terms/rights attached to equity shares

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

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.

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015 (refer note (i) above)	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
K R Ravishankar	27,899,930	11.44%	27,899,930	11.71%	5,579,986	18.3%
Agnus Capital LLP	25,125,000	10.31%	25,125,000	10.55%	3,525,000	11.56%
Chayadeep Ventures LLP	25,125,000	10.31%	25,125,000	10.55%	3,525,000	11.56%
Arun Kumar Pillai	23,399,965	9.60%	23,399,965	9.82%	5,579,993	18.3%
Pronomz Ventures LLP	23,032,560	9.45%	17,532,560	7.36%		
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	14,138,395	5.80%	14,138,395	5.93%	-	-
TIMF Holdings	13,347,370	5.48%	12,727,245	5.34%	-	-

(v) 1,790,000 shares of ₹ 2 each (As at 31 March 2016 2,320,000 shares of ₹ 2 each; As at 01 April 2015: 582,500 shares of ₹ 10 each) are reserved towards outstanding employee stock options granted / available for grant.

(vi) As at 01 April 2015, Nil warrants of ₹ 2 each (As at 31 March 2016: 5,500,000 of ₹ 2 each; As at 01 April 2015: 5,000,000 of ₹ 10 each) are outstanding to be converted into equivalent number of shares.

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

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity Shares	17,927,065	17,927,065	-

Note:

Details of number of shares provided here is after considering the split of per share value form ₹ 10 to ₹ 2.

NOTES

to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
20 OTHER EQUITY			
Capital reserve	10.42	11.10	12.47
Securities premium reserve	10,130.65	9,591.72	1,730.04
Share Options Outstanding Account	155.50	109.87	60.63
General reserve	147.48	144.44	144.44
Retained Earnings	(2,135.68)	(1,997.44)	(1,812.68)
Reserve for equity instruments through other comprehensive income	2,474.13	2,440.22	919.35
Remeasurements of the defined benefit Plans	(3.54)	(3.48)	(9.11)
Treasury reserve	(40.45)	(52.43)	(65.82)
Translation reserve	36.38	100.05	-
Gross obligation to non-controlling interest under put options	(358.18)	(357.83)	(298.43)
Money received against share warrants	-	130.63	288.08
Other reserves	(1,136.27)	(1,136.27)	-
Other Equity (Total)	**9,280.44**	**8,980.58**	**968.97**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(a) Capital reserve		
Balance at the beginning of the year	11.10	12.47
Add: Additions during the year	-	0.45
Less: Utilised during the year	-	(1.82)
Add: Exchange Difference	(0.68)	-
Closing balance	**10.42**	**11.10**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(b) Securities premium account		
Balance at the beginning of the year	9,591.72	1,730.04
Add: Premium on shares issued during the year	538.93	7,908.05
Less: Utilised during the year for writing off shares issue expenses	-	(46.37)
Closing balance	**10,130.65**	**9,591.72**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(c) Share options outstanding account		
Balance at the beginning of the year	109.87	60.63
Add: Amounts recorded on grants during the year	35.61	77.96
Add/Less: Deferred stock compensation expense	10.02	(28.72)
Closing balance	**155.50**	**109.87**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(d) General reserve		
Balance at the beginning of the year	144.44	144.44
Add: Vested employee stock options lapsed during the year	3.04	-
Closing balance	**147.48**	**144.44**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(e) Retained Earnings		
Balance at the beginning of the year	(1,994.74)	(1,812.68)
Employee stock options trust consolidation	-	(0.07)
Less: Loss for the year	(138.24)	(184.69)
Closing balance	**(2,135.68)**	**(1,997.44)**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	2,440.22	919.35
Net fair value gain on investment in equity instrument at fair value through other comprehensive income	33.91	1,520.87
Closing balance	**2,474.13**	**2,440.22**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(g) Remeasurements of the defined benefit		
Balance at the beginning of the year	(3.48)	(9.11)
Movement in other comprehensive income (net) during the year	(1.44)	5.63
Transfer to non-controlling interest	1.38	-
Closing balance	**(3.54)**	**(3.48)**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(h) Treasury Reserve		
Balance at the beginning of the year	(52.43)	(65.82)
Employee stock options issued during the year	11.98	13.39
Closing balance	**(40.45)**	**(52.43)**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(i) Translation Reserve		
Balance at the beginning of the year	100.05	-
Add / (Less): Translations during the year	(75.64)	100.32
Transfer to non-controlling interest	11.97	(0.27)
Closing balance	**36.38**	**100.05**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(j) Gross obligation to non-controlling interest under put options		
Balance at the beginning of the year	(357.83)	(298.43)
Movement during the year	(0.35)	(59.40)
Closing balance	**(358.18)**	**(357.83)**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
(k) Other reserve		
Balance at the beginning of the year	(1,136.27)	-
Purchase of share held by non-controlling interest	-	(1,136.27)
Closing balance	**(1,136.27)**	**(1,136.27)**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
21 NON-CONTROLLING INTERESTS		
Balance at the beginning of the year	22.17	1,253.96
Share of profit / (loss) for the year	(38.99)	21.08
Non-controlling interests arising on the acquisition of Subsidiaries (Refer note 49)	178.59	(34.44)
Non controlling interest relating to change in ownership interest while retaining control	-	(1,251.41)
Derecognition of Non- controlling interest holding put options	66.29	(49.99)
Translation reserve	(11.97)	(0.27)
Translation reserve on restatement of goodwill	(67.85)	83.24
Closing balance	**172.18**	**22.17**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
22 NON-CURRENT BORROWINGS			
Secured loan - at amortised cost			
Term loan from bank	213.96	392.61	508.47
Term loan from other parties	1,203.67	1,582.41	1,958.90
Unsecured loan - at amortised cost			
Term loan from bank	94.86	-	-
Term loan from other parties	138.90	23.25	3.47
Term loan from related parties (Refer note 48)	-	114.93	-
Total	**1,651.39**	**2,113.20**	**2,470.84**

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22. NON-CURRENT BORROWINGS (CONTD.)

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

(₹ in million)

Particulars	Security	Terms of repayment	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
			Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
Term loans from banks:								
Indian Overseas Bank	First pari-passu charge on fixed assets of the Company (except for Company's property at Thane (West), Mumbai) and second pari-passu charge on current assets of the Company as a collateral.	Repayable in 22 quarterly Instalments, commencing from December 2014. Repaid fully on 1 July 2015.	-	-	-	-	214.23	-
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	-	97.16	-	149.41	-
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	-	115.55	-	144.83	-
RBL Bank Limited	Exclusive charge on fixed assets of the subsidiary Sequent Research Limited, both present and future and mortgage of land and building owned by Company at Mangalore.	Repayable in 25 quarterly installments	60.00	-	76.00	-	-	-
Halk Bankasi A.S.	Mortgage of land and factory building of subsidiary TOPKIM TOPKAPI LAÇ PREMKS SANAY VE T CARET A.S. Turkey and personal guarantee of erstwhile shareholders.	Repayable in 7 semi annual equated instalments.	-	-	18.91	-	-	-
Halk Bankasi A.S.	Mortgage of land and factory building of TOPKIM TOPKAPI LAÇ PREMKS SANAY VET CARET A.S. Turkey and personnel guarantee of erstwhile shareholders.	Repayable in 7 semi annual equated instalments.	-	-	20.03	-	-	-
Halk Bankasi A.S.	Secured against leased machinery of subsidiary TOPKIM TOPKAPI LAÇ PREMKS SANAY VET CARET A.S. Turkey.	Repayable in 47 monthly equal instalments.	16.36	-	18.36	-	-	-
Kotak Mahindra Bank Limited	Secured by fixed assets created from term loan by the subsidiary Naari Pharma Private Limited, land and building located at Sakkhanpur, Ramnagar as collateral and personal guarantee of Mr Prithi S Kochhar, director of the subsidiary Naari Pharma Private Limited.	Repayable in 60 monthly equal instalments	-	-	27.87	-	-	-
Kotak Mahindra Bank Limited	Secured by land and building located at Sakkhanpur, Ramnagar of the subsidiary Narri Pharma Private Limited (Formerly known as Indo Phyto chemicals Private Limited) as collateral and personal guarantee of Mr Prithi S Kochhar, director of the subsidiary Naari Pharma Private Limited.	Repayable in 60 monthly equal instalments	-	-	18.73	-	-	-
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 2018.	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. Repaid fully on February 2028.	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. Repaid fully on February 2028.	7.41	-	-	-	-	-
Banco Popular	Unsecured	Repayable in 60 monthly Instalments, commencing from May 2013. Repaid fully on April 2018.	-	0.16	-	-	-	-
Ibercaja	Unsecured	Repayable in 60 monthly Instalments, commencing from August 2014. Repaid fully on July 2019.	-	1.83	-	-	-	-
Bankia	Unsecured	Repayable in 48 monthly Instalments, commencing from November 2014. Repaid fully on October 2018.	-	1.06	-	-	-	-
B.B.V.A.	Unsecured	Repayable in 60 monthly Instalments, commencing from June 2015. Repaid fully on May 2020.	-	1.97	-	-	-	-
Deustche Bank	Unsecured	Repayable in 48 monthly Instalments, commencing from August 2015. Repaid fully on July 2019.	-	3.36	-	-	-	-
Banco Popular	Unsecured	Repayable in 38 monthly Instalments, commencing from March 2017. Repaid fully on March 2020.	-	18.68	-	-	-	-
Bankinter	Unsecured	Repayable in 36 monthly Instalments, commencing from March 2017. Repaid fully on April 2020.	-	14.57	-	-	-	-
Bankia	Unsecured	Repayable in 60 monthly Instalments, commencing from April 2017. Repaid fully on March 2022.	-	52.04	-	-	-	-

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

Particulars	Security	Terms of repayment	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
			Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
B.B.V.A.	Unsecured	Repayable in 36 monthly Instalments, commencing from August 2015. Repaid fully on July 2018.	-	1.19	-	-	-	-
Total			213.96	94.86	392.61	-	508.47	-
Term loans from other parties:								
Housing Development Finance Corporation Limited	Mortgage of Company's property at Thane (West), Mumbai. Personal guarantee of Mr. K.R. Ravi Shankar.	Repayable in 28 quarterly Installments, commencing from July 2012	14.10	-	25.49	-	36.88	-
Department of Scientific and Industrial Research	Unsecured	Repayable annually over a period of five years commencing from March 2012 and March 2013.	-	-	-	-	-	3.47
Housing Development Finance Corporation Limited	Mortgage of land along with super structure of property at Mangalore of one of the Subsidiaries of the Company.	Repayable in 34 quarterly Installments, commencing from March 2013.	-	-	-	-	89.52	-
Export and Import Bank of India	First charge on the entire fixed assets of the subsidiary Alivira Animal Health Limited, including immovable properties both present and future, second charge over current assets of the subsidiary both present and future, unconditional and irrevocable corporate guarantee of Sequent Scientific Limited to the extent of the shareholding in the subsidiary. Personal guarantee of director Mr. Arun Kumar Pillai to the extent of ₹ 50 Crores. First charge / assignment on all intangibles assets of the subsidiary.	Repayable in 26 quarterly Installments, commencing from August 2016.	896.24	-	1,087.71	-	1,231.10	-
Export and Import Bank of India	First pari-passu charge on entire fixed assets of Alivira Animal Health Limited, India, pledge of 60% shares of Provet Veteriner Ürünleri San. ve Tic. A.S. held by Alivira Animal Health Limited, Ireland, pledge of shares of Alivira Animal Health Limited, Ireland held by Alivira Animal Health Limited, India and corporate Guarantee of Alivira Animal Health Limited, India.	Repayable in 16 quarterly installments, commencing from March 2016.	293.33	-	469.21	-	601.40	-
Rakshit Organisational Operations and Transformations Pvt Ltd	Unsecured	Repayable in 2 quartely installments	-	-	-	23.25	-	-
Volkswagen Finance	Unsecured	Repayable in 48 monthly Instalments, commencing from August 2014. Repaid fully on July 2018.	-	0.09	-	-	-	-
Volkswagen Finance	Unsecured	Repayable in 48 monthly Instalments, commencing from November 2014. Repaid fully on October 2018.	-	0.34	-	-	-	-
Volkswagen Finance	Unsecured	Repayable in 36 monthly Instalments, commencing from November 2014. Repaid fully on October 2017.	-	-	-	-	-	-
Volkswagen Finance	Unsecured	Repayable in 48 monthly Instalments, commencing from June 2015. Repaid fully on May 2019.	-	0.42	-	-	-	-
BMW Finance	Unsecured	Repayable in 48 monthly Instalments, commencing from November 2015. Repaid fully on October 2019.	-	3.54	-	-	-	-
Volswagen Finance	Unsecured	Repayable in 48 monthly Instalments, commencing from April 2016. Repaid fully on March 2020.	-	0.77	-	-	-	-
ICF	Unsecured	Repayable in 60 monthly Instalments, commencing from October 2015. Repaid fully on July 2022.	-	14.32	-	-	-	-
FITCH PARTICIPACOES LTDA	Unsecured	The loan is repayable on the mutual agreement.	-	26.01	-	-	-	-
Judiciary	Unsecured	The loan is repayable in half yearly 18 unequal installments and the repayment would commence from 07 November 2016 i.e, eighteen months after the date of judgement from 0.50% to 10.50% of the principal amount .	-	93.41	-	-	-	-
Total			1,203.67	138.90	1,582.41	23.25	1,958.90	3.47

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

Particulars	Security	Terms of repayment	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
			Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
Term loans from Related Parties								
Aresco Restaurants Private Limited	Unsecured	Repayable in 3 quartely installments	-	-	-	30.19	-	-
IK Enterprises Private Limited	Unsecured	Repayable in 2 quartely installments	-	-	-	6.30	-	-
Mr. Prithi Pal Singh Kochhar	Unsecured	Repayable in 3 quartely installments	-	-	-	30.24	-	-
Mrs. Ishpinder Kaur Kochhar	Unsecured	Repayable in 5 quartely installments	-	-	-	48.20	-	-
Total -			-	-	**-**	**114.93**	**-**	**-**

The interest on above term loans from Bank and other parties (other than loan from Department of Scientific and Industrial Research, Banco popular, Bankia, Bankinter, Volswagen Finance, BMW Finance, ICF, Fitch Participacoes Ltda and Halk Bankasi A.S. Turkey) are linked to the respective lender's base rates.

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

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term loans from banks	16.36	103.90	214.23
Term loans from other parties	910.34	525.49	1,365.14

(iii) For the current maturities of long-term borrowings, refer note 29 in other current financial liabilities.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
23 OTHER NON-CURRENT FINANCIAL LIABILITIES			
Put Option Liability	524.96	590.90	513.68
Interest accured but not due	10.02	-	-
Finance lease obligation	0.40	-	-
Other financial Liabilities	10.86	-	-
	546.24	590.90	513.68

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
24 NON-CURRENT PROVISIONS			
Provision for employee benefits *			
Gratuity (net)	85.54	66.46	66.36
Compensated absences	42.31	38.76	33.43
Provision for termination benefits	-	13.62	-
Others			
Provision for Tax (net of advance tax- ₹ 28.32 Million) (as at 31 March 2016 is ₹ 28.32 Million)	17.18	17.18	-
Total	145.03	136.02	99.79

* The provision for employee benefits include annual leave and vested long service leave entitlements accrued and compensation claims made by employees. Refer note 45 for details of gratuity plan as per Ind AS 19-Employee benefits.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
25 DEFERRED TAX LIABILITIES/ ASSETS			
Deferred Tax Liabilities			
- Depreciation	92.54	53.08	-
- Others	(3.66)	1.63	16.38
- Disallowances u/s 43B of the Income Tax Act, 1961	-	(1.40)	-
	88.88	53.31	16.38
Deferred Tax Assets			
- Depreciation	(237.79)	(357.31)	(162.53)
- Disallowances u/s 43B of the Income Tax Act, 1961	44.45	67.85	36.45
- Unabsorbed depreciation and carried forward of losses	198.18	274.26	110.58
- Others	160.60	17.97	16.63
Deferred Tax Assets	165.44	2.77	1.13
- MAT Credit Entitlement	45.75	48.51	45.75
Total	211.19	51.28	46.88

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
26 OTHER NON-CURRENT LIABILITIES			
Statutory remittances	33.33	-	-
Rent Equalisation reserve	5.69	4.45	3.21
	39.02	4.45	3.21

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
27 CURRENT BORROWINGS			
Secured loan - at amortised cost			
Repayable on demand from Banks (Refer note (i) to (iii) and (viii) below)	1,641.01	319.64	1,012.99
Unsecured loan - at amortised cost			
Repayable on demand from Banks (Refer note (iv) to (vii) below)	182.42	239.34	1,007.92
Repayable on demand from other parties	118.44	1.40	22.16
Repayable on demand from related party	5.13	-	-
Total	1,947.00	560.38	2,043.07

Notes:

(i) Loan repayable on demand 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) 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 upto 50% of its value.

(iii) Loan repayable on demand from banks availed by the subsidiary Naari Pharma Private Limited (Formerly Known as Indo Phyto Chemicals Private Limited) from bank is secured by first charge on current assets of the subsidiary, land and building located at Sakkhanpur, Ramnagar as collateral and personal guarantee of the director of the subsidiary.

(iv) Loan repayable on demand from banks availed by the subsidiary Topkim Topkapi Ilaç Premiks Sanayi Ve Ticaret A.S., Turkey is guaranteed by erstwhile shareholders of the subsidiary in their personal capacities.

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

(vi) Loan repayable on demand from banks of ₹ Nil (31 March 2016 ₹ Nil; 01 April 2015 ₹ 999.50 million) are secured against securities provided by entities owned by Promoters.

(vii) Loan repayable on demand from banks of ₹ Nil (31 March 2016 ₹ Nil; 01 April 2015 ₹ 486.04 million) are guaranteed by some of the Directors of the Company in their personal capacities.

(viii) Loan repayable on demand from banks in Aliviria Ireland is secured against SBLC issued by RBL Bank - India

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
28 TRADE PAYABLES			
Trade payables	2,030.41	1,439.35	909.35
Total	2,030.41	1,439.35	909.35

(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 46.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April, 2015
29 OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long-term debt *	560.25	448.96	187.91
Interest accrued and due on borrowings	17.77	-	14.56
Payables on purchase of fixed assets	75.34	58.69	139.10
Unclaimed dividends	0.10	0.10	0.11
Other liabilities	269.29	175.04	994.73
Advance received against sale of investment	110.00	-	-
Total	1,032.75	682.79	1,336.41

* The details of interest rates, repayment and other terms are disclosed under note 22.

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(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term loans			
From banks			
Secured			
RBL Bank Limited	145.09	101.16	93.04
Indian Overseas Bank	-	-	29.07
Kotak Mahindra Bank Limited	-	19.70	-
	145.09	120.86	122.11
From other parties			
Secured			
Housing Development Finance Corporation Limited	11.43	11.43	21.43
Export and Import Bank of India	360.14	315.87	43.03
Unsecured			
Department of Scientific and Industrial Research	-	0.80	1.34
Abilio	41.67	-	-
Others	1.92	-	-
	415.16	328.10	65.80
Total	560.25	448.96	187.91

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
30 CURRENT PROVISIONS			
Provision for employee benefits			
Compensated absenses	7.83	11.44	7.51
Gratuity	5.66	1.44	1.43
Provision for termination benefits	-	5.20	-
Total	13.49	18.08	8.94

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
31 CURRENT TAX LIABILITIES			
Income tax payable (Net of advance tax - ₹ Nil) (as at 31 March 2016 - ₹ Nil) (as at 01 April 2015 - ₹ Nil)	51.94	53.64	40.97
	51.94	53.64	40.97

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
32 OTHER CURRENT LIABILITIES			
Statutory remittances	258.04	53.37	42.94
Advances from customers	64.62	96.12	39.22
Other current liabilities	54.97	-	-
Total	377.63	149.49	82.16

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
33 REVENUE FROM OPERATIONS		
Sale of products (including excise duty)	9,006.90	6,037.37
Sale of services	80.38	78.86
Other operating revenues		
Sale of scrap	6.49	8.15
Sale of Import licences	1.90	50.10
Income from handling charges	-	1.68
Duty drawback and other export incentives	39.78	16.11
Guarantee commission	9.91	-
Others	5.45	21.83
Total	9,150.81	6,214.10

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
34 OTHER INCOME		
Interest income (Refer note (i) below)	10.56	32.19
Net gain on sale of investments		
Current investments	0.74	20.42
Other non-operating income (Refer note (ii) below)	20.60	33.17
Dividend Income *	16.60	10.60
Fair value gain on financial instrument at fair value through Profit or Loss **	38.98	36.55
Miscellaneous Income	12.75	-
Net gain on foreign currency transactions and translation	9.07	-
Profit and loss on sale of assets	1.45	-
Total	110.75	132.93
(i) Interest income comprises:		
Interest on:		
Bank deposits	3.46	30.06
Security deposits	-	0.63
Interest on income tax refund	0.42	1.49
Other interest	6.68	0.01
Total - Interest income	10.56	32.19
(ii) Other non-operating income comprises:		
Insurance claim received	0.21	0.28
Liabilities / provisions no longer required written back	-	25.17
Reimbursement of expenses	1.48	-
Rental income	10.68	-
Miscellaneous income	8.23	7.72
Total	20.60	33.17

* All dividends from equity investments designated as at fair value through other comprehensive income recognised for both the years relate to investments held at the end of each reporting period.

** Fair value gain on financial instruments at fair value through profit or loss relates to mutual funds which has been fair valued at the year end.

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
35.A COST OF MATERIALS CONSUMED		
Opening stock	437.84	372.46
Consolidation Adjustment	(21.81)	
Add: Purchases	3,956.70	1,988.44
Opening stock on acquisition	33.54	72.91
Less: Closing stock	504.86	437.84
Total	3,901.41	1,995.97

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
35.B PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	724.46	934.71
Total	724.46	934.71

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to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
35.C CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND INTERMEDIATES		
Opening stock		
Work-in-progress and intermediates	272.17	247.27
Finished goods	488.36	318.09
	760.53	**565.36**
Included on acquisition of subsidiaries		
Finished goods /stock-in-trade	196.06	257.18
	196.06	**257.18**
Consolidation adjustment		
Work-in-progress and intermediates	(2.23)	(0.22)
Finished goods /stock-in-trade	(44.75)	5.85
	(46.98)	**5.63**
Closing stock		
Work-in-progress and intermediates	372.02	272.17
Finished goods	726.22	488.36
	1,098.24	**760.53**
Net (increase) / decrease	**(188.63)**	**67.64**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
36 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,018.28	712.83
Contributions to provident fund and other funds	146.38	46.81
Share-based payment to employees	74.54	64.12
Staff welfare expenses	66.34	42.94
Total	**1,305.54**	**866.70**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
37 FINANCE COSTS		
Interest expense on borrowings	332.16	330.54
Other borrowing costs	30.61	50.91
Total	**362.77**	**381.45**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
38.A DEPRECIATION AND AMORTISATION		
Depreciation for the year on property, plant and equipment (Refer note 3)	483.71	387.05
Amortisation for the year on intangible assets (Refer note 5)	192.46	173.95
Less: Depreciation capitalised for intangible assets under development	(15.52)	(98.80)
Less: Depreciation and amortisation relating to discontinued operations	(37.70)	(4.98)
Total	**622.95**	**457.22**

(₹ in million)

	Year Ended 31 March 2017	Year Ended 31 March 2016
38.B OTHER EXPENSES		
Power, water and fuel	292.97	265.07
Consumables	112.10	118.46
Conversion and processing charges	322.09	226.45
Contract labour charges	193.37	105.47
Freight and forwarding	167.97	105.64
Rent including lease rentals (refer note 44)	52.57	24.16
Rates and taxes	39.91	36.82
Communication expenses	33.83	22.23
Repairs and maintenance		
Building	36.29	39.70
Machinery	128.79	100.82
Others	101.68	91.55
Insurance	25.59	17.77
Travelling and conveyance	147.81	92.58
Advertisement and selling expenses	77.70	37.43
Commission on sales	55.60	31.50
Legal and professional fees	207.08	144.08
Analytical charges	37.16	38.93
Bad trade receivables written off	0.62	13.40
Bad loans and advances written off	1.22	4.43
Provision for doubtful trade receivables	31.99	3.55
Loss on sale of assets / written off (net)	4.13	7.45
Net loss on foreign currency transactions and translation	126.27	20.38
Increase/(decrease) of excise duty on inventory	10.01	(7.44)
Marketing expenses	24.63	-
Other expenses	140.93	104.84
Total	**2,372.31**	**1,645.27**

(₹ in million)

	Year ended 31 March 2017	Year ended 31 March 2016
39 INCOME TAXES RELATING TO CONTINUING OPERATIONS		
i) Income tax recognised in profit or loss		
Current tax expense		
Current year	70.65	29.37
Current tax expense for earlier years	(37.12)	-
	33.53	**29.37**
Deferred tax expense		
Origination and reversal of temporary differences	(37.66)	(3.68)
Reduction in tax rate	-	-
	(37.66)	(3.68)
Total	(4.13)	**25.69**

(₹ in million)

	31 March 2017	31 March 2016
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:		
Profit before tax	6.38	(101.78)
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	2.21	(35.23)
Tax effect of:		
Tax concession	(144.20)	(96.08)
Differences between Indian and foreign tax rates	(2.03)	(15.82)
Differences due to different tax rates	177.01	172.82
Prior period taxes	(37.12)	-
At the effective income tax rate of -64.67% (31 March 2016: -25.24%)	(4.13)	**25.69**

The tax rate used for the year 2016-17 and 2015-16 reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under the income tax law.

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Deferred Tax Assets and Liabilities

(a) **Movement in deferred tax balances**

(₹ in million)

	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	2.71	-	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 and 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)

(₹ in million)

	31 March 2016						
	Net balance 01 April 2015	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	(162.53)	(54.52)	(193.33)	-	(410.38)	(357.31)	(53.08)
Employee benefits	36.45	1.40	31.40	-	69.25	67.85	1.40
Other items	0.26	14.36	1.40	-	16.02	17.97	(1.95)
Tax assets (liabilities)	**(125.82)**	**(38.44)**	**(160.53)**	**-**	**(324.79)**	**(271.49)**	**(53.31)**
Carried forward of losses and unabsorbed depreciation	110.57	-	163.68	-	274.25	274.25	-
Net tax assets (liabilities)	**(15.25)**	**(38.44)**	**3.15**	**-**	**(50.54)**	**2.77**	**(53.31)**
MAT credit entitlement	45.75	2.76	-	-	48.51	48.51	-
Total	**30.50**	**(35.68)**	**3.15**	**-**	**(2.03)**	**51.28**	**(53.31)**

(b) No deferred tax adjustment 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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40 DISCONTINUED OPERATIONS

Pursuant to the approval of Board of Directors of the Company and shareholders received vide postal ballot dated 24 March 2017 for the divestment of woman healthcare business, the Company has entered into a definitive agreement for sale of subsidiary Company (Naari Pharma Private Limited) with Tenshi Life Science Private Limited and accordingly as at 31 March 2017 the assets and liabilities of the subsidiary has been classified as held for sale and liabilities directly associated with assets classified as held for sale pending completion of certain conditions precedent and other customary closing conditions.

A. Analysis of profit for the year from discontinued operations

The combined results of the discontinued operations included in the profit for the year set out below. The comparitive profit and cash flows form discontinued operations have been presented as if these operations were discontinued in the prior year as well.

(₹ in million)

		Year Ended 31 March 2017	From 27 January 2016 till 31 March 2016
	Profit for the year from discontinued operations		
I	Revenue from operations	685.84	187.73
II	Other income	1.40	10.11
III	**Total Income (I+II)**	**687.24**	**197.84**
IV	**Expenses**		
	Cost of materials consumed	425.39	113.27
	Purchases of stock-in-trade	-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(35.39)	12.95
	Excise Duty on sale of goods	-	-
	Employee benefits expense	145.32	19.48
	Finance costs	60.57	4.12
	Depreciation and amortisation expense	37.70	4.98
	Other expenses	228.03	26.73
	Total expenses (IV)	**861.62**	**181.53**
	Profit / (loss) from discontinued operations before tax (III-IV)	(174.38)	16.31
	Tax expense of discontinued operations	-	0.53
	Profit / (loss) from discontinued operations after tax	**(174.38)**	**15.78**
	Profit / (loss) for the year from discontinued operations		
	-attributable to the owner of the company	(76.11)	8.05
	-non-controlling interests	(98.27)	7.73

(₹ in million)

	Year Ended 31 March 2017	From 27 January 2016 till 31 March 2016
Cash flows of discontinued operations		
Net cash inflows / (outflow) from operating activities	(492.87)	4.40
Net cash inflows / (outflow) from investing activities	(261.29)	(11.87)
Net cash inflows / (outflow) from financing activities	753.81	5.66
Net cash outflows	**(0.35)**	**(1.81)**

B The major classes of assets and liabilities of the discontinued operations are as under:-

(₹ in million)

		Year Ended 31 March 2017
A	**Assets**	
	Property, plant and equipment	489.24
	Capital work-in-progress	37.70
	Other intangible assets	3.61
	Deferred tax assets	-
	Other financial assets	17.94
	Other assets	332.28
	Inventories	277.42
	Trade receivables	167.88
	Cash and cash equivalents	5.75
	Other bank balances	1.19
	Loans	0.30
	Assets classified as held for sale (A)	**1,333.31**
B	**Liabilities**	
	Borrowings	801.64
	Provisions	9.74
	Deferred tax liabilities	13.55
	Trade payables	224.47
	Other financial liabilities	130.52
	Other liabilities	2.35
	Liabilities directly associated with the Group of assets classified as held for sale (B)	**1,182.27**
	Net assets/liabilities directly associated with disposal Group (A-B)	**151.04**

41 OPERATING SEGMENTS

A. Primary segment : Business segment

The Chief Operating Decision Maker (CODM) evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments. The segment disclosure (including segments identified) below are based on such evaluation by the Chief Operating Decision Maker (CODM).

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(₹ in million)

	Segment Revenue		Segment Results	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
a. Segment Revenue and Results				
Continuing operations				
Pharmaceuticals	9,084.82	6,135.24	218.92	80.70
Analytical services	65.99	78.86	39.49	13.86
Discontinued operations				
Pharmaceuticals	685.84	187.73	(115.21)	10.32
Total (Including discontinued operations)	**9,836.65**	**6,401.83**	**143.20**	**104.88**

(₹ in million)

	31 March 2017	31 March 2016
Income / (expenses) Continuing operations		
Interest income	110.75	132.92
Interest expense	(362.78)	(381.45)
Income / (expenses) Discontinued operations		
Interest income	1.40	10.11
Interest expense	(60.57)	(4.12)
Profit before tax (continuing operations)	**6.38**	**(153.97)**
Profit before tax (discontinued operations)	**(174.38)**	**16.31**

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(₹ in million)

	As at 31 March 2017	As at 31 March 2017	As at 01 April 2015
b. Segment assets and liabilities			
Segment assets			
Continuing operations			
Pharmaceuticals	12,956.90	10,689.77	8,268.60
Analytical services	168.36	190.51	172.39
Discontinued operations			
Pharmaceuticals	1,333.12	-	-
Total consolidated segment assets	14,458.38	10,880.27	8,440.99
Unallocated	4,587.76	4,400.56	1,611.59
Total assets	19,046.14	15,280.83	10,052.58
Segment liabilities			
Continuing operations			
Pharmaceuticals	7,612.61	5,529.01	7,333.42
Analytical services	139.60	148.45	135.16
Discontinued operations			
Pharmaceuticals	1,181.53	-	-
Total consolidated segment liabilities	8,933.74	5,677.46	7,468.58
Unallocated	172.30	124.13	56.22
Total liabilities	9,106.04	5,801.59	7,524.80

(₹ in million)

	As at 31 March 2017	As at 31 March 2016
c. Other Informations		
Depreciation and amortisation:		
Continuing operations		
Pharmaceuticals	589.17	431.64
Analytical services	33.78	25.58
Discontinued operations		
Pharmaceuticals	37.70	4.98
Total	660.65	462.20

B. Secondary segment : Geographical segment

The Group operates in three principal geographic location.

(i) Europe

(ii) Asia

(iii) Rest of the world

(₹ in million)

Geography	Year ended 31 March 2017	Year ended 31 March 2016
I Revenue		
Continuing operations		
Europe	3,275.34	1,785.03
Asia	2,078.37	3,364.98
Rest of the world	3,797.10	1,064.09
Discontinued operations		
Asia	685.84	187.73
Total Revenue	9,836.65	6,401.83
II Total assets		
Continuing operations		
Europe	3,200.41	2,376.64
Asia	8,992.47	8,490.91
Rest of the world	932.38	12.72
Unallocated	4,587.76	4,400.56
Discontinued operations		
Asia	1,333.12	-
Total Non-current Assets	19,046.14	15,280.83

(₹ in million)

Geography	Year ended 31 March 2017	Year ended 31 March 2016
III Cost incurred during the year to acquire segment assets		
Continuing operations		
Europe	406.65	-
Asia	975.87	1,458.27
Rest of the world	243.43	-
Discontinued operations		
Asia	-	-
Total cost incurred	1,625.95	1,458.27

	Year Ended 31 March 2017			Year Ended 31 March 2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
42 EARNINGS PER SHARE						
Basic earnings per share	(0.26)	(0.32)	(0.58)	(0.92)	0.04	(0.88)
Diluted earnings per share	(0.26)	(0.32)	(0.58)	(0.92)	0.04	(0.88)

(₹ in million)

	Year Ended 31 March 2017			Year Ended 31 March 2016		
	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	(62.13)	(76.11)	(138.24)	(192.74)	8.05	(184.69)
Profit attributable to equity shareholders for basic and diluted earnings	(62.13)	(76.11)	(138.24)	(192.74)	8.05	(184.69)

	Year Ended 31 March 2017	Year Ended 31 March 2016
Weighted average number of equity shares		
Issued equity shares at beginning of the year	238,236,195	152,425,955
Effect of shares issued against warrants	2,863,014	58,382,577
Effect of treasury shares	(1,790,000)	(2,320,000)
Weighted average number of equity shares at end of the year for basic EPS	239,309,209	208,488,532
Share options	1,687,780	934,905
Convertible warrants	-	2,749,098
Weighted average number of equity shares at end of the year for diluted EPS	240,996,989	212,172,535

42.1 Money received against share warrants

2017

Conversion of 5,500,000 warrants issued during 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.

2016

a) The Board of Directors of the Company on 11 April 2015 and 13 April 2015 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 31 March 2015 had resolved to create, offer, issue and allot up to 1,100,000 warrants to promoter Group entities, convertible into 1,100,000 equity shares of ₹ 10/- each and 1,100,000 warrants to non-promoter, convertible into 1,100,000 equity shares of ₹ 10/- each respectively, on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹ 475/- per equity share of the Company including a premium of ₹ 465/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 261.25 Million

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was received from the allottees. Out of the above, 1,100,000 warrants issued to non-promoters have been converted into equivalent number of equity shares on 10 June 2015. As on 31 March 2016, 1,100,000 warrants were outstanding.

The balance application money as at 31 March 2016 amounting to ₹ 130.63 Million represents money received against 1,100,000 warrants (after sub-division 5,500,000 warrants).

b) The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 11 October 2016. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. The Company has sufficient authorised capital to cover the allotment of these shares.

2015

a) The Board of Directors of the Company on 28 May 2014 at its Board meeting pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 21 May 2014 had resolved to create, offer, issue and allot up to 2,000,000 warrants to promoter Group entities, convertible into 2,000,000 equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹ 222.15/- per equity share of the Company including a premium of ₹ 212.15/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 111.08 Million was received from the allottees. As on 01 April 2015 all the warrants were outstanding.

The balance application money as at 01 April 2015 amounting to ₹ 111.08 million represents money received against 2,000,000 warrants.

b) The Board of Directors of the Company further by circular resolution on 11 July 2014 pursuant to the approval given by the members of the Company at their Extraordinary General Meeting held on 1 July 2014 had resolved to create, offer, issue and allot up to 3,000,000 warrants to promoter Group entities, convertible into 3,000,000 equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Sections 62(1) (c), 42 and other applicable provisions, if any of the Companies Act, 2013, at a conversion price of ₹ 236/- per equity share of the Company including a premium of ₹ 226/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard and the application money amounting to ₹ 177 Million was received from the allottees. As on 01 April 2015 all the warrants were outstanding.

The balance application money as at 01 April 2015 amounting to ₹ 177 Million represents money received against 3,000,000 warrants.

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

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Contingent liabilities			
a. Claims against the company not acknowledged as debts			
Sales tax / Value added tax *	0.07	0.33	9.87
Income tax *	1.51	22.15	79.05
Service tax *	7.48	6.10	1.48
Excise duty*	0.29	0.29	0.47

* 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.

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Commitments			
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Tangible and intangible fixed assets	58.20	81.91	91.62
b. Unpaid amount towards subscription of 7,100,000 warrants of Shasun Pharmaceuticals Limited	-	-	585.75

42.3 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comphrehensive income		Share in total comphrehensive income	
	As % of consolidated Net assets	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)
Parent								
Sequent Scientific Limited	100.00%	12,573.28	100.00%	(0.12)	100.00%	34.61	100.00%	34.49
Subsidiaries								
Indian								
Alivira Animal Health Limited	100.00%	2,741.66	100.00%	(148.14)	100.00%	(0.23)	100.00%	(148.37)
Sequent Research limited	100.00%	62.39	100.00%	4.09	100.00%	0.91	100.00%	5.00
Sequent Penems Private Limited	89.23%	29.74	89.23%	(2.38)	89.23%	-	89.23%	(2.38)
Elysian Life sciences Private Limited	100.00%	(111.81)	100.00%	(0.26)	100.00%	-	100.00%	(0.26)
Sequent Antiboitics Private Limited	100.00%	(0.53)	100.00%	(0.02)	100.00%	-	100.00%	(0.02)
Sequent Pharmaceuticals Private Limited	99.99%	(0.13)	99.99%	(0.02)	99.99%	-	99.99%	(0.02)
Naari Pharma Pvt Limited(Formerly known as Indo Phyto Chemicals Private Limited) [Refer note 40]	51.02%	(135.22)	51.02%	(200.63)	51.02%	(2.83)	51.02%	(203.46)
Foreign								
Provet Veterinerlik Urunleri Tic.Ltd.Sti	60.00%	430.84	60.00%	62.49	60.00%	-	60.00%	62.49
Alivira Animal Health Limited, Ireland	100.00%	453.69	100.00%	(121.38)	100.00%	-	100.00%	(121.38)
Sequent Global Holdings Limited	100.00%	-	100.00%	0.11	100.00%	-	100.00%	0.11
Fendigo SA	85.00%	77.79	85.00%	27.24	85.00%	-	85.00%	27.24
Fendigo BV	85.00%	23.66	85.00%	10.47	85.00%	-	85.00%	10.47
N-Vet AB	85.00%	117.43	85.00%	25.06	85.00%	-	85.00%	25.06
Topkim Ilaç Premiks San. ve Tic. A.S.	60.00%	150.22	60.00%	33.36	60.00%	-	60.00%	33.36
Interchange Veterinária Indústria E Comércio Ltda.	70.00%	(194.78)	70.00%	(26.01)	70.00%	-	70.00%	(26.01)

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Name of the Entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)	As % of consolidated loss	Amount (₹ in million)
Aliviria Saude Brasil Participacoes Ltda	100.00%	2.25	100.00%	(18.15)	100.00%	-	100.00%	(18.15)
Laboratorios Karizoo, S.A.	60.00%	282.19	60.00%	101.72	60.00%	-	60.00%	101.72
Laboratorios Karizoo, S.A. DE C.V. (Mexico)	60.00%	22.18	60.00%	11.04	60.00%	-	60.00%	11.04
Comercial Vila Veterinaria De Lleida S.L.	60.00%	33.40	60.00%	9.91	60.00%	-	60.00%	9.91
Phytotherapic Solutions S.L	60.00%	55.02	60.00%	14.11	60.00%	-	60.00%	14.11
Vila Viña Participacions S.L.	60.00%	224.76	60.00%	1.04	60.00%	-	60.00%	1.04
Total		**16,838.03**		**(216.47)**		**32.46**		**(184.01)**
Adjustments arising out of consolidation		(7,070.12)		78.23		(62.27)		15.96
Minority Interests in all subsidiaries		172.18		(25.63)		(13.36)		(38.99)
Total		**9,940.09**		**(163.87)**		**(43.17)**		**(207.04)**

43 SUBSIDIARIES

Details of the Company's subsidiaries at the end of each reporting period are as follows.

(₹ in million)

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		
		As at 31 March 2017	As at 31 March 2016	As at 01 April, 2015
Wholly owned subsidiaries				
Alivira Animal Health Limited, India (Refer note 7 below)	India	100%	100%	92%
SeQuent Global Holdings Limited (Refer note 4 below)	Mauritius	100%	100%	100%
SeQuent Research Limited	India	100%	100%	100%
SeQuent Antibiotics Private Limited	India	100%	100%	100%
SeQuent Pharmaceuticals Private Limited	India	99.99%	99.99%	99.99%
Elysian Life Sciences Private Limited	India	100%	100%	100%
SeQuent Scientific Pte Limited (Refer note 13 below)	Singapore	100%	100%	Nil
Other subsidiaries				
SeQuent Penems Private Limited	India	89.23%	89.23%	89.23%
Naari Pharma Private Limited (Formerly known as Indo Phyto Chemicals Private Limited) (Refer note 8)	India	51.02%	51.02%	Nil
Step down subsidiaries:				
Alivira Animal Health Limited, Ireland (Refer note 9 below)	Ireland	100%	100%	91.92%
Alivira Animal Health Australia Pty Limited (Refer note 12 below)	Australia	100%	100%	Nil
SeQuent European Holdings Limited (Refer note 5 below)	Cyprus	Nil	100%	100%
Provet Veteriner Ürünleri San. ve Tic. A.S.	Turkey	60%	60%	55.15%
Fendigo SA (Refer note 11 below)	Belgium	85%	85%	Nil
Fendigo BV (Refer note 11 below)	Netherland	85%	85%	Nil
N-Vet AB (Refer note 11 below)	Sweden	85%	85%	Nil
Topkim Ilaç Premiks San. ve Tic. A.S (Refer note 10 below)	Turkey	60%	60%	Nil
Interchange Veterinária Indústria E Comércio Ltda (Refer note 3 below)	Brazil	70%	Nil	Nil
Aliviria Saude Brasil Participacoes Ltda (Refer note 2 below)	Brazil	100%	Nil	Nil
Laboratorios Karizoo, S.A. (Refer note 1 below)	Spain	60%	Nil	Nil
Laboratorios Karizoo, S.A. DE C.V. (Mexico) (Refer note 1 below)	Mexico	60%	Nil	Nil
Comercial Vila Veterinaria De Lleida S.L. (Refer note 1 below)	Spain	60%	Nil	Nil
Phytotherapic Solutions S.L (Refer note 1 below)	Spain	60%	Nil	Nil
Vila Viña Participacions S.L. (Refer note 1 below)	Spain	60%	Nil	Nil
Alivira UA Limited (Refer note 6 below)	Ireland	100%	Nil	Nil

Note:

1 During 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 2016-17, Aliviria Saude Animal Brasil Participacoes LTDA was incorporated on 10 June 2016.

3 During 2016-17, Aliviria Saude Animal Brasil Participacoes LTDA acquired 70% stake in Interchange Veterinária Indústria E Comércio Ltda.

4 Sequent Global Holdings Limited ('SGHL'), a wholly owned subsidiary of the Company, have approved winding up of SGHL, vide a resolution dated 04 November 2016, in-principle approval for winding up of SGHL is obtained from the concerned authority vide order dated 06 April 2017.

5 During the year SeQuent European Holdings Limited was wound up on 30 November 2016

6 Alivira UA Limited,Ireland was incorporated on 30 September 2016.

7 During 2015-16, the Company purchased 9,997,941 equity shares of Alivira Animal Health Limited, resulting in 100% shareholding. The subsidiary issued 3,958,333 equity shares to the Company and 7,583,776 equity shares to other parties on conversion of compulsory convertible preference shares. During the 2014-15, the Company purchased 7,400,000 equity shares of Alivira Animal Health Limited, India and the subsidiary issued 2,414,165 equity shares to other parties.

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8 During 2015-16, the company acquired 51.02% shareholding in Naari Pharma(formerly known as Indo Phyto Chemicals Private Limited.)

9 Alivira Animal Health Limited, Ireland was incorporated on 01 September 2014. During 2015-16, the effective ownership of the Company became 100% on account of Alivira Animal Health Limited, India becoming a wholly owned subsidiary.

10 During 2015-16, Provet Veteriner Ürünleri San. ve Tic. A.S. acquired 100% shareholding in Topkim Iaç Premiks San. ve Tic. A.S, Turkey.

11 During 2015-16, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired 85% stake each in Fendigo SA, Belgium, Fendigo BV, Netherlands and N-Vet AB, Sweden.

12 Alivira Animal Health Australia Pty Limited was incorporated on 24 July 2015.

13 Sequent Scientific Pte Limited, Singapore was incorporated on 4 February 2016.

44 OPERATING LEASES

Leases as lessee

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:

Payments recognised as an expense

(₹ in million)

	31 March 2017	31 March 2016
Lease payments	52.57	24.16
	52.57	**24.16**

Non-cancellable operating lease commitments

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Not later than 1 year	4.55	5.91	6.51
Later than 1 year and not later than 5 years	18.19	18.19	19.55
More than five years	113.68	118.22	122.77
	136.42	142.32	148.83

45 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 ₹ 33.73 million (Year ended 31 March 2016 - ₹ 30.15 million (net)) for Provident Fund contributions and ₹ 3.42 million (Year ended 31 March 2016 - ₹ 2.15 million) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

In respect of the foreign subsidiary, the subsidiary makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the subsidiary is required to contribute a specified percentage payroll costs to fund the benefits. The Group recognised ₹ 89.78 million (Year ended 31 March 2016 - ₹ 16.66 million) for social security scheme contributions.

(ii) Defined benefit plans

The Group has a defined Gratuity benefit plan for employees in India. The foreign subsidiary has termination benefits for its employees in Turkey. The following table 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.

(₹ in million)

	31 March 2017		31 March 2016	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense recognised in the statement of profit and loss:				
Current service cost	12.85	3.60	11.60	0.22
Net interest expenses	5.28	1.57	4.35	0.48
Expected return on plan assets	(0.56)	-	-	-
Component of defined benefit costs recognised in the statement of profit and loss	**17.57**	**5.17**	**15.95**	**0.70**
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expenses)	0.09	-	0.08	-
Actuarial (gains) / losses arising from change in financial assumptions	3.06	-	1.54	-
Actuarial (gains) / losses arising from change in experience assumptions	(4.53)	5.91	(7.25)	0.70
Component of defined benefit costs recognised in the other comprehensive income	**(1.38)**	**5.91**	**(5.63)**	**0.70**
Total	**16.19**	**11.08**	**10.32**	**1.40**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

	31 March 2017		31 March 2016		01 April 2015	
	Gratuity	Termination benefits	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	80.79	14.65	75.31	18.82	68.03	8.01
Fair value of plan assets	4.24	-	7.41	-	7.93	-
Funded status [surplus / (deficit)]	(76.55)	(14.65)	(67.90)	(18.82)	(60.10)	(8.01)
Net liability raising from DBO recognised in the Balance Sheet	**(76.55)**	**(14.65)**	**(67.90)**	**(18.82)**	**(60.10)**	**(8.01)**

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

(₹ in million)

	31 March 2017		31 March 2016	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening defined benefit obligation	72.84	18.82	68.03	8.01
Current service cost	12.85	3.60	11.60	0.22
Interest expenses	5.28	1.57	4.99	0.48
Purchase/(sale) of undertaking	-	-	3.27	9.41
Acquisition of subsidiary	-	-	2.21	
Benefits paid	(8.71)	(9.12)	(9.08)	-
Remeasurement loss / (gain):				
Actuarial loss / (gain) arising from:				
Actuarial (gains) / losses arising from change in financial assumptions	3.06	-	1.54	0.70
Actuarial (gains) / losses arising from change in experience assumptions	(4.53)	5.91	(7.25)	
Exchange gain / loss	-	(6.13)	-	-
Closing defined benefit obligation	**80.79**	**14.65**	**75.31**	**18.82**

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B. Movements in the fair value of plan assets are as follows:

(₹ in million)

	31 March 2017		31 March 2016	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	7.41	-	7.93	-
Expected return on plan assets	0.56	-	0.64	-
Purchase of undertaking	-	-	2.43	
Actual Group contributions	3.56	-	5.57	-
Benefits paid	(7.20)	-	(9.08)	-
Remeasurement loss / (gain):			-	
Return on plan assets (excluding amounts included in net interest expenses)	(0.09)	-	(0.08)	-
Closing fair value of plan assets	**4.24**	**-**	**7.41**	**-**

Actual return on plan assets is ₹ 0.47 millions (31 March 2016 ₹ 0.57 millions)

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.

(₹ in million)

	31 March 2017		31 March 2016		01 April 2015	
	Gratuity	Termination benefits	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumption:						
Discount rate	7.05% - 7.70%	0.11	7.50% - 7.70%	0.11	7.80% - 7.85%	0.09
Salary escalation rate	12.00%	0.07	12.00%	0.07	12.00%	0.06
Demographic assumption:						
Withdrawal rate	8.00% to 12.00%	NA	8.00% to 12.00%	NA	8.75%	NA
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	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:

(₹ in million)

	Impact on the defined benefit Obligations			
	Gratuity		Termination benefits	
	100 bps Increase	100 bps decrease	100 bps Increase	100 bps decrease
31 March 2017				
Discounting rate	74.08	87.79	13.66	15.44
Salary escalation Rate	85.23	75.82	14.68	14.61
	159.31	**163.61**	**28.33**	**30.05**
31 March 2016				
Discounting rate	67.35	79.23	17.84	19.89
Salary escalation Rate	76.96	68.92	18.89	18.71
	144.31	**148.15**	**36.73**	**38.60**

46 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial Instruments by categories as follow:

(₹ in million)

	Carrying value and fair value		
Financial assets	31 March 2017	31 March 2016	01 April 2015
Measured at amortised cost			
Loans	27.92	15.75	6.99
Trade receivable	2,546.19	1,923.86	1,234.80
Cash and cash equivalents	435.21	200.26	293.48
Other bank balances	38.83	52.71	106.80
Other financial assets	134.30	95.28	60.61
Investment in government securities	0.08	0.08	0.07
Measured at fair value through other comprehensive income (FVTOCI)			
Investment in equity instruments (Quoted)	3,641.74	3,607.00	1,500.38
Investment in equity instruments (Unquoted)	0.05	0.05	0.05
Measured at fair value through profit or loss (FVTPL)			
Investments in mutual fund	639.03	668.44	5.04
Derivative assets	11.15	2.05	0.08
Total assets	**7,474.50**	**6,565.48**	**3,208.30**
Financial liabilities			
Measured at amortised cost			
Borrowings (including current maturity of long-term borrowings)	4,158.64	3,122.54	4,701.82
Trade payables	2,030.41	1,439.35	909.35
Other financial liabilities	493.78	233.83	1,148.50
Measured at fair value through other comprehensive income (FVTOCI)			
Put option liability	524.96	590.90	513.68
Total liabilities	**7,207.79**	**5,386.62**	**7,273.35**

46.1 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 2017, 31 March 2016 and 01 April 2015.

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Fair value hierarchy of assets and liabilities measured at fair value as at 31 March 2017:

(₹ in million)

	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 (note 16):					
Gain on outstanding foreign currency forward contracts	31 March 2017	11.15	-	11.15	-
FVTOCI financial assets / financial liabilities designated at fair value (notes 6,11,23):					
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 (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 period.

Fair value hierarchy of assets and liabilities measured at fair value as at 31 March 2016:

(₹ in million)

	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 (note 16):					
Gain on outstanding foreign currency forward contracts	31 March 2016	2.05	-	2.05	-
FVTOCI financial assets / financial liabilities designated at fair value (notes 6,11,23):					
Investment in equity instruments	31 March 2016	3,607.00	3,607.00	-	-
Put option liability	31 March 2016	590.90	590.90	-	-
FVTPL financial assets designated at fair value (note 11):					
Investment in mutual funds	31 March 2016	668.44	-	668.44	-

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

Fair value hierarchy of assets and liabilities measured at fair value as at 01 April 2015:

(₹ in million)

	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 (note 16):					
Gain on outstanding foreign currency forward contracts	01 April 2015	0.08	-	0.08	-
FVTOCI financial assets / financial liabilities designated at fair value (notes 6,11,23):					
Investment in equity instruments	01 April 2015	1,500.38	1,500.38	-	-
Put option liability	01 April 2015	513.68	513.68	-	-
FVTPL financial assets designated at fair value (note 11):					
Investment in mutual funds	01 April 2015	5.04		5.04	-

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

Note:

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.

46.2 Financial Risk Management Objective And Policies

The Group principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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

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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.

46.3 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 Group's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The 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:

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Outstanding for more than 6 months	270.04	152.36	246.64
Others	2,276.15	1771.50	988.16
Total	**2,546.19**	**1923.86**	**1234.80**

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 counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Revenue from single external customer is approximately ₹ 1,210.77 millions representing 14% of Group total revenue for the year ended 31 March 2017. Apart from the aforesaid single customer, the Group does not have a significant credit risk exposure to any other single counterparty.

46.4 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'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 Group's 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's 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 2017, 31 March 2016 and 01 April 2015.

(₹ in million)

	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
Trade payables	2,030.41	-	-	2,030.41
Other financial liabilities	472.50	-	-	472.50

(₹ in million)

	As at 31 March 2016			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	1,197.80	504.69	1,420.05	3,122.54
Trade payables	1,439.35	-	-	1,439.35
Other financial liabilities	494.88	-	-	494.88

(₹ in million)

	As at April 1, 2015			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	2,240.96	467.49	1,993.37	4,701.82
Trade payables	909.35	-	-	909.35
Other financial liabilities	1,148.50	-	-	1,148.50

46.5 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'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 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.

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

(₹ in million)

Foreign currency	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency
EURO	84.12	1.21	47.86	0.64	30.94	0.46
USD	682.16	10.54	543.82	8.20	381.33	6.09
SGD	(0.48)	(0.01)	-	-	0.13	-
EURO	(16.08)	(0.23)	(28.81)	(0.38)	(9.26)	(0.14)
USD	(1,005.40)	(15.51)	(701.54)	(10.56)	(579.41)	(9.24)
GBP	0.02	0.00	-	-	(0.02)	-
CHF	(0.75)	(0.01)	(0.75)	(0.01)	(0.75)	(0.01)
THAI BAHT	(0.14)	(0.08)	(0.23)	(0.12)	-	-

b) Derivative financial 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 Group are given below:

Currency	Amount in Million				
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	Buy / Sell	Cross currency
USD	0.93	0.56	-	Buy	Rupees
USD	3.60	1.91	4.23	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 adjust their transaction 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.

(₹ in million)

	Impact on the statement of profit and loss and total equity		
	31 March 2017	31 March 2016	01 April 2015
Currency of USA (USD)	32.32	15.77	19.81
Currency of Europe (Euro)	(6.80)	(1.91)	(2.17)
Others	0.14	0.10	0.06

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's 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 outfow 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:

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Fixed-rate instruments			
Financial assets			
-Margin money deposit	51.60	52.61	106.69
Total	**51.60**	**52.61**	**106.69**
Financial liabilities			
-Borrowings from bank	102.89	57.30	-
-Borrowings from others	45.49	-	3.47
-Borrowings from related parties	5.13	114.93	-
Total	**153.51**	**172.23**	**3.47**

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Variable-rate instruments			
Financial liabilities			
-Borrowings from bank	2,174.46	1,015.15	2,651.49
-Borrowings from others	1,830.67	1,935.16	2,046.86
Total	**4,005.13**	**2,950.31**	**4,698.35**

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. The analysis is performed on the same basis for 2016.

(₹ in million)

Effect	Profit or loss	
	100 bps increase	100 bps decrease
31 March 2017		
Variable-rate instruments	(40.05)	40.05
	(40.05)	**40.05**
31 March 2016		
Variable-rate instruments	(29.50)	29.50
	(29.50)	**29.50**

46.6 Capital Management

The Company manages its capital to ensure that 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 notes 22 and 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 period is as follow:

(₹ in million)

	31 March 2017	31 March 2016	01 April 2015
Debt (refer note (i) below)	4,158.64	3,122.53	4,701.82
Cash and cash equivalents	435.21	200.26	293.48
Other bank balances (refer note (ii) below)	38.73	52.61	106.69
Other non-current financial assets (margin money)	12.87	-	-
Net debt	**3,671.83**	**2,869.66**	**4,301.65**
Total equity	**9,940.10**	**9,479.24**	**2,527.78**
Gearing ratio	**36.94%**	**30.27%**	**170.18%**

(i) Debt is defined as long-term (including current maturity but excluding financial guarantee contract) and short-term borrowings.

(ii) Other bank balances exclude the bank balance towards unpaid dividend.

47 SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Group implemented "Sequent Scientific Employees Stock Option Plan 2010" (Sequent ESOP 2010), in the year 2008, as approved by the Shareholders of the Group and the Remuneration / Compensation / Nomination and Remuneration Committee of the Board of Directors.

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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 'ESOP 2010' Scheme.	5 years
12 February 2014	500,000	Same as above	5 years
28 May 2014	900,000	Same as above	5 years
12 November 2014	1,000,000	Same as above	5 years
11 January 2016	500,000	Same as above	5 years
14 May 2016	345,000	Same as above	5 years

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 ₹ 103.26 (during the year ended 31 March 2016: ₹ 179.29). 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 2017	31 March 2016
Inputs into the model		
Grant date	14 May 2016	11 January 2016
Grant date share price	148.90	232.80
Exercise price	87.00	87.00
Expected volatility	55.11%	47.61%
Option life	5 years	5 years
Dividend yield	0.00	0.00
Risk-free interest rate	7.64%	7.86%

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 2017		31 March 2016	
	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	3,545,000	24.08	3,862,500	13.38
Granted during the year	345,000	87.00	500,000	87.00
Exercised during the year	530,000	33.03	592,500	13.89
Forfeited during the year	435,000	25.75	225,000	11.28
Options outstanding at the end of the year	2,925,000	29.87	3,545,000	24.08

D. **Share options excercised 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	220,000	03 June 2016	135.65
2. Granted on 30 May 2013	12,500	01 July 2016	144.23
3. Granted on 30 May 2013	42,500	25 July 2016	129.55
4. Granted on 30 May 2013	80,000	16 August 2016	111.35
5. Granted on 30 May 2013	25,000	02 November 2016	128.63
6. Granted on 28 May 2014	62,500	03 June 2016	135.65
7. Granted on 11 January 2016	87,500	16 January 2017	124.48

E. **Share options excercised at the end of the year**

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 29.87 million (as at 31 March 2016: ₹ 24.08 million) and weighted average remaining contractual life of 2.57 years (as at 31 March 2016: 3.21 years)

F. **Split of Shares**

During 2015-16, based on the shareholder's approval one equity share of ₹ 10 each is sub-divided into 5 equity share of ₹ 2 each with effect from 26 February 2016.

48 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

a) **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. P R Kannan, Chief Financial Officer (Upto 10 February 2017)
Mr. Tushar Mistry, Chief Financial Officer (From 11 February 2017)
Ms. Kumud Sampath, Chief Executive Officer and Director, SeQuent Research Limited
Mr. Prithipal Singh Kochhar, Director, Naari Pharma Private Limited (From 29 January 2016)
Mr. K E C Rajakumar (Non-executive Director)
Dr. S Devendra (Non-executive Director)
Dr. Gopakumar G. Nair(Chairman and Independent Director)
Dr Kausalya Santhanam (Independent Director)
Mr. Narendra Mairpady (Independent Director)

b) **Enterprises owned or significantly influenced by individuals who have control/significant influence over the Company**

Strides Shasun Limited (formerly known as Strides Arcolab Limited)
Atma Projects
Agnus Holdings Private Limited
Latitude Projects Private Limited
Chayadeep Properties Private Limited
Deesha Properties
Agnus Capital LLP
Chayadeep Ventures LLP
Pronomz Ventures LLP
Devicam Capital LLP
Pardime Infrastructure Development Company
Sequent Speciality Chemicals Private Limited
Provet-Genom Biyot.Lab.Ltd.STI
I K Enterprises Private Limited
Aresko Restaurants Private Limited
Fitch Participacoes Ltda
Salus Com. De Prods. De Saude E Nutricao Animal Ltd
Jagsonpal Pharmaceuticals Limited
Naari Pte Limited

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

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

48.1 Transactions for the year

(₹ in million)

	Key Management Personnel		Enterprises owned or significantly influenced by individuals who have control/ significant influence over the Company	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Sale of materials/services				
Strides Shasun Limited(Excluding excise duty)			574.47	736.81
Jagsonpal Pharmaceuticals Limited			24.10	-
Naari Pte Limited			36.11	-
Interest paid				
Chayadeep Properties Private Limited			-	0.27
Mr. Prithi Pal Singh Kochhar	0.96	0.59	-	-
I K Enterprises Private Limited			0.66	0.11
Aresko Restaurants Private Limited			0.86	0.52
Fitch Participacoes Ltda			6.12	-
Purchase of material				
Strides Shasun Limited			-	46.44
Purchase of machinery/assets				
Strides Shasun Limited			-	0.05
Managerial remuneration				
Dr. Gautam Kumar Das	13.06	15.60		
Mr. Manish Gupta	18.51	21.35		
Mr Sharat Narasapur	2.82	-		
Mr. Kanan P.R	7.44	6.42		
Mr. Tushar Mistry	0.78	-		
Mr. Preetham Hebbar	0.59	0.66		
Mr. Krupesh Mehta	0.16	-		
Ms.Kumud Sampath	7.40	6.89		
Mr. Prithipal Singh Kochhar	-	0.81		
Directors Sitting Fees	3.06	2.88		
Reimbursement of expenses from				
Strides Shasun Limited	-	-	2.12	8.64
Mr. Prithipal Singh Kochhar	0.35	0.16		
Rent paid				
Strides Shasun Limited			0.51	0.26
Agnus Holdings Private Limited			0.08	2.00
Chayadeep Properties Private Limited			0.90	-
Security deposit given to				
Chayadeep Properties Private Limited			-	5.12
Loan taken				
Fitch Participacoes Ltda	-	73.72		
Loans/advances given by Group				
Provet-Genom Biyot.LAB.LTD.STI			-	2.31
Loan/advances repaid by Group				
Chayadeep Properties Private Limited			-	16.77
Fitch Participacoes Ltda			1.34	-
Shares issued on conversion of warrants				
Agnus Capital LLP			-	340.15
Chayadeep Ventures LLP			-	340.15
Pronomz Ventures LLP			522.50	472.00
Money received against share warrants				
Agnus Capital LLP			-	255.11
Chayadeep Ventures LLP			-	255.11
Pronomz Ventures LLP			391.88	484.63

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48.2 Balance as at balance sheet date

(₹ in million)

	Key Management Personnel			Enterprises owned or Significantly influenced by individuals who have control/ significant influence over the Company		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade Receivables / other current assets						
Strides Shasun Limited				112.65	195.57	131.66
Advance receivable						
Provet-Genom Niyot.Lab.Ltd.Sti				-	4.45	-
Security deposit receivable						
Strides Shasun Limited				4.54	2.27	2.27
Chayadeep Properties Private Limited				5.12	-	-
Payable						
Chayadeep Properties Private Limited				5.45	5.31	21.84
Dr.Huseyin Aydin	-	0.30	0.31			
Mr. Prithipal Singh Kochhar	0.86	30.24	-			
I K Enterprises Private Limited				6.89	6.30	-
Aresko Restaurants Private Limited				0.78	29.98	-
Atma Projects				0.20	0.20	-
Agnus Holdings Private Limited				0.01	0.02	-
Strides Shasun Limited				7.55	6.98	-
Salus Com. De Prods. De Saude E Nutricao Animal Ltd				2.64	-	-
Loan Payable						
Fitch Participacoes Ltda				73.72	-	-
Money received against share warrants						
Pronomz Ventures LLP				-	130.63	118.00
Agnus Capital LLP				-	-	85.04
Chayadeep Ventures LLP				-	-	85.04

49 BUSINESS COMBINATIONS

Acquisition of N-Vet AB

On 01 October 2015, the Group acquired 85% of the interest in N-Vet AB, thereby obtaining control.

N-Vet AB is one of the leading Swedish company in sales and marketing of veterinary pharmaceuticals and animal healthcare products.

The acquisition was executed through an share purchase agreement to acquire 85% of the ownership interest in N-Vet AB, with the current management team continuing to run the business while retaining the balance stake.

The fair value of purchase consideration of ₹ 169.71 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 88.62 million. 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 independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	83.52	-	83.52
Intangible assets	-	6.54	6.54
Deferred tax liabilities on intangible assets	-	(1.44)	(1.44)
Total			**88.62**
NCI	-	-	(13.29)
Goodwill	-	-	94.38
Total purchase price			**169.71**

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 ₹ 94.38 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Acquisition of Fendigo SA

On 01 October 2015, the Group acquired 85% of the interest in Fendigo SA, thereby obtaining control.

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

The acquisition was executed through an share purchase agreement to acquire 85% of the ownership interest in Fendigo SA, with the current management team continuing to run the business while retaining the balance stake.

The fair value of purchase consideration is ₹ 274.09 million."

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 44.68 million. 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 independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	43.12	-	43.12
Intangible assets	-	2.36	2.36
Deferred tax liabilities on intangible assets	-	(0.80)	(0.80)
Total			**44.68**
NCI	-	-	6.70
Goodwill	-	-	236.11
Total purchase price			**274.09**

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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 ₹ 236.11 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Acquisition of Fendigo BV

On 01 October 2015, the Group acquired 85% of the interest in Fendigo BV, thereby obtaining control.

Fendigo BV is the company engaged in sales and marketing of veterinary pharmaceuticals and animal health products in the Netherlands. Fendigo BA is the 11th largest animal health player in Netherlands.

The acquisition was executed through an share purchase agreement to acquire 85% of the ownership interest in Fendigo BV, with the current management team continuing to run the business while retaining the balance stake.

The fair value of purchase consideration is ₹ 11.83 million

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 14.30 million. The excess of fair value of net assets acquired over the purchase consideration has been attributed towards capital reserve.

The purchase price has been allocated based on independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	14.30	-	14.30
NCI	-	-	(2.14)
Capital Reserve	-	-	(0.33)
Total purchase price			**11.83**

Acquisition of Topkim Ilaç Premiks San. ve Tic. A.S (Topkim)

On 10 December 2015, the Group acquired 100% of the interest in Topkim, thereby obtaining control. The acquisition was made through Provet Veterinary Products, Turkey, Alivira's subsidiary.

Topkim is one of the highly reputable veterinary company in Turkey, with a heritage of 50 years of business presence over 67 approved products mainly comprising of Ectoparasiticides, Endectocides, and Injectable Antibiotics. It has wide distribution capabilities with presence in almost every sales point at Turkey.

The fair value of purchase consideration is ₹ 307.34 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 302.38 million. 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 independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	165.38	-	165.38
Intangible assets	-	171.38	171.38
Deferred tax liabilities on intangible assets	-	(34.28)	(34.28)
Total			**302.48**
Goodwill	-	-	4.86
Total purchase price			**307.34**

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 ₹ 4.86 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Acquisition of Naari Pharma Pvt Limited (Formerly know as Indo Phyto Chemicals Private Limited)

On 27 January 2016, the Group acquired 51.02% of the interest in Naari Pharma Pvt Limited, a New Delhi based pharmaceutical company.

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

The acquisition was executed through an share purchase agreement to acquire 51.02% of the ownership interest in Naari.

The fair value of purchase consideration of ₹ 68.50 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 52.45 million. 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 independent report as follows

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	52.45	-	52.45
NCI	-	-	(25.70)
Goodwill	-	-	41.75
Total purchase price			**68.50**

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 ₹ 41.75 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Acquisition of Animal healthcare business of Lyka Exports Limited

During 2015-16, the Group acquired the Animal healthcare business of Lyka Exports Limited on slump sale basis through subsidiary Alivira Animal healthcare Limited.

The fair value of purchase consideration is ₹ 326.57 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 228.72 million. 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 independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net non current liabilities	(11.39)	-	(11.39)
Net current assets	19.01	-	19.01
Intangible assets	221.10	-	221.10
Total			**228.72**
Goodwill	97.85		97.85
Total purchase price			**326.57**

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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., through Aliviria Saude Brasil Participacoes Ltda, a wholly owned subsidiary of Alivira.

The acquisition was executed through an share purchase agreement to acquire 70% of the ownership interest in Interchange Veterinária Indústria E Comércio Ltda. 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 of ₹ 235.71 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 0.78 million. 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 independent report as follows:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	(305.61)	-	(305.61)
Defeffed 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**
NCI	-	-	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 2017, 2018 and 2019 ₹ 25.56 million 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., through Alivira Ireland, a wholly owned subsidiary of Alivira Animal Health Limited.

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 brings into Alivira 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 of ₹ 942.23 million.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to ₹ 445.90 million. 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:

(₹ in million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	384.11	-	384.11
Intangible assets - Brand	-	82.39	82.39
Deferred tax liabilities on intangible assets	-	(20.60)	(20.60)
Total			**445.90**
NCI	-	-	178.36
Goodwill	-	-	674.69
Total purchase price			**942.23**

Total consideration	
Cash	562.10
Contingent consideration	380.13
Total	**942.23**

Under the share purchase agreement, the Group is required to pay the seller an additional consideration in the year 2017 and 2018 based on the incremental enterprises value arrived considering the EBITA of financial year 2017 and financial year 2018 ₹ 380.13 million represent the estimated fair value of fair obligation 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 ₹ 674.69 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

Impact of 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:

(₹ in million)

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:

(₹ in million)

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 Pro-forma numbers to represent an approximate measure of the performance of the subsidiary on an annualised basis.

Results from continuing operations for the year ended 31 March 2016 includes the following revenue and profit generated from the new acquisitions:

(₹ in million)

Entity	Revenue	Profit for the year
N-Vet AB	110.40	17.73
Fendigo SA	215.01	12.25
Fendigo BV	24.09	0.34
Topkim Ilaç Premiks San. ve Tic. A.S	80.78	(9.33)
Naari Pharma Private Limited	187.73	15.78

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Had these business combinations been effected at 01 April 2015, the proforma revenue and profit for the year from the respective business acquired would have been as below:

(₹ in million)

Entity	Revenue	Profit for the year
N-Vet AB	220.80	35.47
Fendigo SA	430.01	24.49
Fendigo BV	48.19	0.68
Topkim Ilaç Premiks San. ve Tic. A.S	263.26	(30.40)
Naari Pharma Private Limited	908.96	(52.96)

Note : The Pro-forma 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:

(₹ in million)

	Naari Pharma		VVP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Summarised Balance Sheet				
Current assets	473.44	346.25	1,015.70	-
Current liabilities	730.44	524.26	704.83	-
Net current liabilities	**(257.00)**	**(178.01)**	**310.86**	**-**
Non-current assets	859.87	311.53	445.49	-
Non-current liabilities	738.08	65.27	138.81	-
Net Non-current assets	**121.79**	**246.26**	**306.68**	**-**
Net assets	**(135.21)**	**68.26**	**617.54**	**-**
Accumulated NCI	**(66.23)**	**-**	**213.74**	**-**

(₹ in million)

	Naari Pharma		VVP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Summarised Profit and Loss				
Revenue	685.84	187.73	1,750.30	-
Profit for the year	(200.64)	15.78	137.81	-
Other comprehensive income	(2.83)	(0.13)	-	-
Total comprehensive income	**(203.46)**	**15.65**	**137.81**	**-**
Profit allocated to NCI	(98.27)	7.73	55.13	-
	-	-	-	-

50. DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Group had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification G.S.R.308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification as follows:

(Amount in ₹)

	SBNs*	Other denomination notes	Total
Closing Balance as at 08 November 2016	488,000	512,281	1000,281
Less: Withdrawals from Banks	1,0000	1,966,620	1,976,620
Add: Permitted receipts	-	558,387	558,387
Less: Permitted payments	299,500	2,403,540	2,703,040
Less: Amount deposited in banks	198,500	88,800	287,300
Closing balance as on 30 December 2016	-	544,948	544,948

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O3407 (E), dated 08 November 2016.

51. FIRST TIME ADOPTION OF IND AS

Explanation of translation to Ind AS

The Group has prepared its first financial statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Group's Ind AS opening balance sheet is 01 April 2015 (the date of transition to Ind AS according to Ind AS 101 - First time adoption of Indian Accounting Standards).

Certain exceptions as well as certain optional exemptions availed by the Group are described below:

i) Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income criteria based on the facts and circumstances that existed on the transition date.

ii) Property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 01 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iii) Past business combination

The Group has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date. Consequently, a. The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements. b. The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree. c. The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date."

iv) Share-based payment transaction

The Group is allowed to apply Ind AS 102 - Share-based Payment to equity instruments that remain unvested as of transition date. The Group has elected to avail this exemption and had fair valued all unvested under the Sequent Employee Stock Option Plan 2010 ('the ESOP Plan').

v) Cumulative translation differences

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as on the transition date to zero.

vi) Equity investments at fair value through other comprehensive income

The Group has designated investment in equity instrument at fair value through other comprehensive income on the basis of facts and circumstances that existed on the transition date.

vii) Changes in Parent's ownership in a subsidiary that does not result in a loss of control

Group has accounted for changes in Parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110 - Consolidated Financial Statements, prospectively from the date of transition.

viii) Exchange difference on long-term foreign currency monetary items

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period (i.e. 01 April 2016) as per the previous GAAP.

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First - time Ind AS adoption reconciliations
Effect of Ind AS adoption on the consolidated balance sheet as at 31 March 2016 and 01 April 2015:

(₹ in million)

	Notes	As at 31 March 2016			As at 01 April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	g,p	4,532.41	(457.11)	4,075.30	3,901.90	(469.62)	3,432.28
(b) Capital work-in-progress		217.47	-	217.47	367.41	-	367.41
(c) Goodwill	i,j,k	2,862.44	(1,564.57)	1,297.87	710.65	-	710.65
(d) Other intangible assets	h,i	299.63	192.04	491.67	131.75	-	131.75
(e) Intangible assets under development		17.74	-	17.74	23.16	-	23.16
(f) Financial assets							
(i) Investments	b	1,166.13	2,439.66	3,605.79	580.37	918.40	1,498.77
(ii) Loans		5.00	-	5.00			
(iii) Other financial assets	g	45.83	0.03	45.86	46.95		46.95
(g) Deferred tax assets		51.28	-	51.28	46.88	-	46.88
(h) Other non-current assets	g,o,p	110.95	456.51	567.46	156.49	446.12	602.61
Total non-current assets		**9,308.88**	**1,066.56**	**10,375.44**	**5,965.56**	**894.90**	**6,860.46**
Current Assets							
(a) Inventories		1,350.76	-	1,350.76	943.59	-	943.59
(b) Financial assets							
(i) Investments	b	632.66	37.12	669.78	5.82	0.95	6.77
(ii) Trade receivables	n	1,758.45	165.41	1,923.86	1,154.37	80.43	1,234.80
(iii) Cash and cash equivalents	s	200.13	0.13	200.26	293.32	0.16	293.48
(iv) Bank balances other than (iii) above		52.71	-	52.71	106.80	-	106.80
(v) Loans		10.75	-	10.75	6.99		6.99
(vi) Other financial assets	c,g	51.78	(0.31)	51.47	14.28	(0.54)	13.74
(c) Other current assets	g,o,p	499.80	2.03	501.83	437.36	(1.41)	435.95
Total current assets		**4,557.04**	**204.38**	**4,761.42**	**2,962.53**	**79.59**	**3,042.12**
Assets classified as held for sale		143.97	-	143.97	150.00	-	150.00
Total Assets		**14,009.89**	**1,270.94**	**15,280.83**	**9,078.09**	**974.49**	**10,052.58**
(I) EQUITY							
(a) Equity Share capital		476.47	-	476.47	304.85	-	304.85
(b) Other equity	c,d,h,i,j,k, l,m,p,q,r,u	8,257.64	722.94	8,980.58	607.88	361.09	968.97
Equity attributable to owner's of the Company		**8,734.11**	**722.94**	**9,457.05**	**912.73**	**361.09**	**1,273.82**
Non- controlling Interest	i,l,m	-	22.17	22.17	-	1,253.96	1,253.96
Total equity		**8,734.11**	**745.11**	**9,479.22**	**912.73**	**1,615.05**	**2,527.78**
Minority interest (Previous GAAP)	m	256.92	(256.92)	-	1,469.29	(1,469.29)	-
(II) LIABILITIES							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	o	2,126.64	(13.44)	2,113.20	2,503.23	(32.39)	2,470.84
(ii) Other financial liabilities	l	-	590.90	590.90	-	513.68	513.68
(b) Provisions		136.02	-	136.02	99.79	-	99.79
(c) Deffered tax liabilities	i	17.93	35.38	53.31	16.38	-	16.38
(d) Other non-current liabilities	v	-	4.45	4.45	-	3.21	3.21
Total non-current liabilities		**2,280.59**	**617.29**	**2,897.88**	**2,619.40**	**484.50**	**3,103.90**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		560.38	-	560.38	2,043.07	-	2,043.07
(ii) Trade payables		1,439.34	0.01	1,439.35	909.35	-	909.35
(iii) Other financial liabilities	j,n,s	517.34	165.45	682.79	992.18	344.23	1,336.41
(b) Other current liabilities		149.49	-	149.49	82.16	-	82.16
(c) Provisions		18.08	-	18.08	8.94	-	8.94
(d) Current tax liabilities (Net)		53.64	-	53.64	40.97	-	40.97
Total current liabilities		**2,738.27**	**165.46**	**2,903.73**	**4,076.67**	**344.23**	**4,420.90**
TOTAL EQUITY AND LIABILITIES		**14,009.89**	**1,270.94**	**15,280.83**	**9,078.09**	**974.49**	**10,052.58**

NOTES

to the consolidated financial statements for the year ended 31 March 2017

Reconciliation of total equity as at 31 March 2016 and 01 April 2015

(₹ in million)

	Notes	As at 31 March 2016	As at 01 April 2015
Total equity/(Shareholders' funds) under previous GAAP		**8,734.11**	**912.73**
Adjustments:			
Fair valuation of investment in equity instruments	b	2,440.22	919.35
Fair valuation of mutual funds	b	36.56	
Discounting of security deposit	g	7.51	7.51
Amortisation of leasehold land	p	11.20	
Goodwill amortisation	h	17.29	
Fair valuation of derivative forward contracts	c	(0.32)	(0.57)
Contingent consideration paid for unrestated past business combination	j	(279.57)	(263.79)
Minority's stake of intangible asset identified under business combination	i	1.03	-
Reversal of Deferred tax liabilities on business combination	i	1.98	
Amortisation of intangibles on business combination	i	(9.68)	
Non- controlling interest presented as a part of the total equity under Ind AS	o	256.92	1,469.29
Put option liability recognised on non-controlling interest holding options	l	(590.90)	(513.68)
Goodwill on account of purchase of additional stake in Alivira reclassified to other reserves	k	(1,138.97)	-
Others		(8.16)	(3.06)
Total adjustment to equity		**745.11**	**1,615.05**
Total equity under Ind AS		**9,479.22**	**2,527.78**

Effect of Ind AS adoption in the consolidated statement of profit and loss for the year ended 31 March 2016:

(₹ in million)

	Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from operations	a	6,344.74	57.09	6,401.83
Other income	b	106.48	36.56	143.04
Total Income		**6,451.22**	**93.65**	**6,544.87**
EXPENSES				
Cost of materials consumed	b	2,131.09	(21.85)	2,109.24
Purchases of stock-in-trade		934.71	-	934.71
Changes in inventories of finished goods stock-in-trade and work-in-progress		80.59	-	80.59
Excise duty on sale of goods	b	-	152.04	152.04
Employee benefits expense	d,e	872.48	13.69	886.17
Finance costs		385.57	-	385.57
Depreciation and amortisation expense	g,h,I,p	482.31	(20.11)	462.20
Other expenses	a,c,g,j,p,q	1,697.18	(25.17)	1,672.01
Total expenses		**6,583.93**	**98.60**	**6,682.53**
Profit/(loss) before tax and exceptional items		**(132.71)**	**(4.95)**	**(137.66)**
Exceptional items	q	36.93	(36.93)	-
Profit before tax		**(169.64)**	**31.98**	**(137.66)**
Tax expenses				
(1) Current tax		29.37	-	29.37
(2) Deferred tax	i	(1.16)	(1.99)	(3.15)
Profit/(loss) after tax		**(197.85)**	**33.97**	**(163.88)**
Share of minority interest (previous GAAP)	m	23.71	(23.71)	-
Profit/(loss) for the year		**(221.56)**	**57.68**	**(163.88)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurement of the defined benefits plans	d,r	-	5.63	5.63
Fair value gain/(loss) from investment in equity instruments	b,r	-	1,520.87	1,520.87
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operation	f,r	-	100.32	100.32
Total other comprehensive income		**-**	**1,626.82**	**1,626.82**
Total comprehensive income for the year		**(221.56)**	**1,684.50**	**1,462.94**
Total comprehensive income for the year attributable to:				
- Owners of the company				1441.86

NOTES

to the consolidated financial statements for the year ended 31 March 2017

(₹ in million)

	Notes	Previous GAAP	Effect of transition to Ind AS	Ind AS
- Non-controlling interests				21.08

Reconciliation of total comphrehensive income for the year ended 31 March 2016

(₹ in million)

	Notes	Year ended 31 March 2016
Profit as per Previous GAAP		**(221.56)**
Adjustments:		
Mark to market adjustment on mutual funds	b	36.56
Amortisation of leasehold land	g	11.20
Reversal of amortisation of goodwill	h	17.29
Impact of accounting of derivatives at fair value	c	0.25
Deferred tax adjustments	i	1.25
Exchange differences on translation of foreign operation	f	100.32
Exchange loss on contingent consideration	j	(4.89)
Impact of measuring employee stock options at fair value	e	(8.07)
Fair value of equity investment through OCI	b	1,520.87
Share of non-controlling interest	m	(0.27)
Others		(11.09)
Total comprehensive income as per Ind AS		**1,441.86**

Under previous GAAP, total comprehensve income was not reported. Thus the above reconciliation starts with the profit under the previous GAAP.

(a) Revenue from operations

Under previous GAAP, revenue from sale of products was presented as net of excise duty under revenue from operations. However, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented seperately on the face of the statement of profit and loss. Under Ind AS, revenue from sale of products is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates. Under previous GAAP, there was no such requirement. Hence the Group has netted off the discounts and rebates from revenue amounting to ₹ 73.10 million with the corresponding impact on other expenses.

The above changes does not effect the total equity as at 01 April 2015 and 31 March 2016, profit before tax or total profit for the year ended 31 March 2016.

(b) Fair value of Investments

(i) Under previous GAAP, long-term investments in equity were measured at cost less diminution in value which is other than temporary. Under Ind AS, these investments have been classified as fair value through other comprehensive income. On the date of transition to Ind AS, these investments are measured at their fair value which is higher than the carrying value as per previous GAAP, resulting in an increase in the carrying amount by ₹ 918.40 million as at 01 April 2015 and by ₹ 1,521.26 million as at 31 March 2016. These changes do not affect profit before tax or total profit for the year ended 31 March 2016 because the investments have been classified as fair value through other comprehensive income.

(ii) Under previous GAAP, current investments in equity were measured at lower of cost or fair value. Under Ind AS, these investments have been classified as fair value through other comprehensive income on the date of transition. On the date of transition to Ind AS, these investments are measured at their fair values, resulting in an increase in carrying amount by ₹ 0.95 million as at 01 April 2015 and decrease in carrying amount by ₹ 0.39 million as at 31 March 2016. These changes do not affect profit before tax or total profit for the year ended 31 March 2016 because the investments have been classified as fair value through other comprehensive income.

(iii) Under previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, investments in mutual funds are classified as fair value through profit or loss. The fair value changes are recognised in the statement of profit and loss. On the date of transition, the Group did not have any investments in mutual funds. On transitioning to Ind AS, these mutual funds are measured at their fair values which are higher than carrying value as per previous GAAP, resulting in an increase in carrying amount by ₹ 36.56 million as at 31 March 2016. The net effect of this change is an increase in profit before tax by ₹ 36.56 million.

(c) Fair value of derivative forward contracts

Under previous GAAP, premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Under Ind AS, forward exchange contracts are financial instrument which are measured at fair value. On the date of transition, the derivative instruments are fair valued through profit or loss. The net effect of these changes is a decrease in total equity and financial asset (Derivative instruments) by ₹ 0.32 million as at 31 March 2016 ₹ Nil as at 01 April 2015 and decrease in total profits by ₹ 0.32 million for the year ended 31 March 2016.

(d) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. The actuarial gain for the year ended 31 March 2016 was ₹ 5.63 million. This change does not affect total equity, but there is a decrease in total profit by ₹ 5.63 million for the year ended 31 March 2016.

(e) Share-based payments

Under previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. Accordingly, all the unvested options on the date of transition are measured at fair value.

The excess of stock compensation expense measured using fair value over the cost recognised under previous GAAP has been adjusted in 'employee stock options outstanding', with the corresponding impact taken to the retained earnings as on the transition date. The change does not affect total equity, but there is a decrease in profit before tax as well as total profit for the year ended 31 March 2016 by ₹ 8.06 million.

(f) Exchange differences on translation of foreign operations

Under Ind AS, the Group elected to reset the balance appearing in the foreign currency translation reserve that exists as of the date of transition to zero. Accordingly, transalation reserve balance under previous GAAP of ₹ 71.37 million has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment. For the year ended 31 March 2016 the translation differences on foreign operations amounting to ₹ 100.32 million are recorded through other comprehensive income.

(g) Discounting of security deposit for leases

Under Previous GAAP, the security deposits for leases (that are refundable in cash on completion of the lease term) are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

Consequent to this change, the amount of leasehold land decreased by ₹ 359.33 million and prepaid rent increased by ₹ 366.84 million (current portion ₹ 3.81). The net effect of this is a increase in total equity by ₹ 7.39 million as at 31 March 2016 (₹ 7.51 million as on 01 April 2015), increase in profit of ₹ 7.39 million for the year ended 31 March 2016 due to reversal of amortised cost of 11.20 million and additional charge of 3.81 pertaining to rent expense net off notional interest income.

(h) Impairment of Goodwill

Under previous GAAP, acquired goodwill forming part of other intangible assets could be amortised over the estimated useful life. However as per Ind AS, goodwill is not amortised but its is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairement loss. Hence, the amortised goodwill of ₹ 17.29 million during the year ended 31 March 2016 has been reversed to the statement of profit and loss.

NOTES

to the consolidated financial statements for the year ended 31 March 2017

(i) Business combinations

Under Ind AS, on business combination an acquirer shall recognise separately from goodwill, the identifiable assets acquired, the liabilities assumed. Consequently, under Ind AS intangibles of ₹ 184.43 million along with deferred tax liability of ₹ 37.36 million has been recognised separately from goodwill which are amortised over its useful life. The net effect of these changes is an decrease in Goodwill by ₹ 146.04 million and non-controlling interest by ₹ 1.03 million, increase in intangible assets by ₹ 147.07 million and decrease in profit by ₹ 9.68 million (Non-controling interest: ₹ 3.64 million) and ₹ 1.98 million (Non-controling interest: ₹ 0.74 million) for the year ened 31 March 2016 due to amortisation of intangibles and reversal of deferred tax liability.

(j) Contingent consideration

Under previous GAAP, contingent consideration payable towards acquisition which is dependent on one or more future events, is adjusted under goodwill when the additional payment is made. However under Ind AS, contingent consideration that was not recognised in an unrestated business combination has to be recognised as liability. Hence on the transition date, liability has been recognised with a corresponding adjustment to retained earnings amounting to ₹ 263.79 million. The change in measurement of the liability recognised in the statement of profit and loss for the year ended 31 March 2016 is ₹ 4.89 million and in translation reserve is ₹ 10.89 million.

(k) Change of ownership interests while retaining control

Under Ind AS, transactions that result in changes in ownership interests while retaining control are accounted for as transactions with equity holders in their capacity as equity holders. As a result, no gain or loss on such changes is recognised in the statement of profit and loss; instead, it is recognised in equity. Also, no change in the carrying amounts of assets (including goodwill) or liabilities is recognised as a result of such transactions. This approach is consistent with non-controlling interest being a component of equity. The Group has recognised the additional stake acquired in Alivira India as goodwill under previous GAAP. Under Ind AS the Group has reversed the goodwill and recognised the same through equity amounting to ₹ 1,138.97 million.

(l) Non- controlling shareholder holding put options

Under previous GAAP, there is no guidance for accounting of put option held by non-controlling interests. However as per Ind AS if non-controlling shareholders of an entity's subsidiary are granted put options that convey to those shareholders the right to sell their shares in that subsidiary for an exercise price (fixed or variable) specified in the option agreement, then from the perspective of the entity, such written put options meet the definition of a financial liability under Ind AS 109 - financial instruments if the entity has an obligation to settle in cash or in another financial asset. On the date of transition the Group has determine the put option liability amounting of ₹ 513.68 million and derecognised its non-controlling interest amounting to ₹ 215.25 million. The excess of put option liability over fair value of non controlling interest to ₹ 298.43 million is being adjusted to other reserves. As at 31 March 2016 the financial liability has increased to ₹ 590.90 million with the corresponding impact on non-controlling interest and other reserves amounting to ₹ 233.07 million and ₹ 357.83 million respectively.

(m) Non-controlling interest

Under previous GAAP, non-controlling interests were presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders. Under Ind AS, non-controlling interests are presented in the consolidated balance sheet within total equity, separately from the equity attributable to the owners of the parent.

Further, under previous GAAP, the share of non-controlling interests in the statement of profit and loss of subsidiaries is adjusted in order to arrive at the profit of the Group whereas under Ind AS, this is reflected as an allocation of the profit or loss for the period to the parent and non-controlling interests. The effect of this change is an increase in total equity as at 31 March 2016 of ₹ 256.92 million (₹ 1,469.29 million as at 01 April 2015), and an increase in profit for the year ended 31 March 2016 of ₹ 23.71 million.

(n) Trade receivables

Under previous GAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liabilities since there is recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of financial liabilities. This has resulted in increase in trade receivables and other financial liabilities by ₹ 165.40 million and ₹ 80.43 million as at 31 March 2016 and 01 April 2015 respectively.

(o) Loan initiation costs

Under previous GAAP, the Company had followed the policy to carry the loan initiation costs under prepaid expense and amortised the same over the term of the related loans. Under Ind AS, loan initiation costs has been netted off from borrowings and amortised over the term of the related loan. This has resulted in decrease in prepaid expenses amounting to ₹ 32.39 million (current portion of prepaid expense ₹ 6.52 million) on 01 April 2015 and ₹ 13.44 million (current portion of prepaid expenses ₹ 3.07 million) as on 31 March 2016 with a corresponding decrease in borrowings.

(p) Land classified as operating lease

Under previous GAAP, lease prepayments made for leasehold land were classified as leasehold land under previous GAAP. However under Ind AS, prepayments made for leasehold land which does not meet the recognition criteria of finance lease are classified as prepaid rent under operating lease and the same is amortised over the lease term. Accordingly, lease prepayments as on 01 April 2015 are classified from leasehold land to prepaid expense as follows:

Non-current	:	₹ 108.95 million
Current	:	₹ 1.30 million
Total	:	₹ 110.25 million

During the year ended 31 March 2016, depreciation and amortisation expense towards leasehold land amounting to ₹ 1.30 million has been reclassified to rent expense. This change does not effect the total equity as at 01 April 2015 and 31 March 2016, profit before tax or total profit for the year ended 31 March 2016. With effect from transition date, the Group has straight lined its lease rental by creating rent equalisation liability amounting to ₹ 3.21 million (31 March 2016: ₹ 4.45 million)

(q) Exceptional items

The transaction costs related to the acquisition was shown as exceptional item under previous GAAP. The Group has reclassifed exceptional items to other expenses in the statement of profit and loss for the year ended 31 March 2016 amounting to ₹ 36.93 million. These changes do not affect profit before tax or total profit for the year ended 31 March 2016.

(r) Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

(s) Sequent Scientific Employee Stock Option Plan Trust

With effect from transition date, the Group has consolidated employee stock option plan trust, hence the cash and bank balance held by the trust on the date of transition is grouped under cash and cash equivalents amounting to ₹ 0.17 million (31 March 2016: ₹ 0.13 million) and outstanding liabilities is being grouped under other financial liabilities amounting to ₹ 0.01 million (31 March 2016: ₹ 0.03 million).

(u) Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

52. The financial statement were approved for issue by the board of director on 23 may 2017.

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

Manish Gupta
Managing Director &
Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krupesh Mehta
Company Secretary

Thane, 23 May 2017

Sequent Scientific Limited
CIN: L99999MH1985PLC036685
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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Sequent Scientific Limited will be held on Tuesday, September 26, 2017 at Hotel Satkar Residency, Pokhran Road No. 01, 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 March 31, 2017

To receive, consider and adopt:

a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, 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 March 31, 2017, together with the Report of the Auditors thereon

Item no. 2 – Appointment of a Director in place of a retiring Director

To appoint a Director in place of Dr. S Devendra, Director (DIN: 00050440), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Item no. 3 – Ratification of appointment of Statutory Auditors

To ratify the appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants (Firm's Registration No. 008072S) as Statutory Auditors of the Company for the year 2017-18 and to authorise the Board of Directors to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any," of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee of the Board of Directors, the members of the Company do hereby ratify the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S) as the Statutory Auditors of the Company who have been appointed as Statutory Auditors of the Company pursuant to the resolution passed by the members at the Annual General Meeting held on September 29, 2014 for a period of 5 (Five) years from the conclusion of Twenty Ninth Annual General Meeting till the conclusion of Thirty Fourth Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix and revise their remuneration as may be determined by the Audit Committee in consultation with the Auditors for the year 2017-18.

SPECIAL BUSINESS:

Item no. 4 – Remuneration to the Cost Auditor for the Financial Year 2017-18

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 INR 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 2017-18.

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 no. 5 –Related party transactions of the Company

To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), approval of the Members of the Company be and is hereby accorded for entering into the following Related Party Transactions by the Company with the related parties:

Sr. No.	Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of relationship	Nature, material terms & particulars of the contract or arrangement from April 1, 2016 to March 31, 2017	Monetary Value upto (Rupees in Million)	Any other information
1.	Strides Shasun Limited, India, formerly known as Strides Arcolab Limited ("Strides")	Mr. Arun Kumar, Promoter of the Company is a Promoter and Managing Director of Strides	Enterprises owned or significantly influenced by KeyManagement Personnel	Sale of Material / Services as per prevailing market prices	2,000.00	The Company will supply Active Pharmaceutical Ingredients (Raw Materials) to Strides at prevailing market price

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item no. 6 –Appointment of Mr. Sharat Narasapur as Joint Managing Director

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sharat Narasapur (DIN: 02808651) as Joint Managing Director, of the Company without any remuneration for a period of three years with effect from January 8, 2017, and he shall be responsible to manage the day-today business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT Mr. Sharat Narasapur (DIN: 02808651) shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time.

RESOLVED FINALLY THAT the Board of Directors, Nomination & Remuneration Committee of authorized the Company and the Company Secretary of the Company, be and are hereby to do all such acts, deeds, matters and things necessary to carry on the terms of this resolution."

By order of the Board of Directors
For Sequent Scientific Limited

sd/-
Krupesh Mehta
Company Secretary

Place: Thane
Date: August 3, 2017

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 2016-17 , the Company had transferred unclaimed dividend of INR 14,523 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 Second 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. September 23, 2017

   End of e-voting: Upto 5.00 p.m. of September 25, 2017

   The e-Voting shall not be allowed beyond 5.00 p.m. September 25, 2017. During the e-Voting period, Members of the Company, holding shares as on September 19, 2017 either in physical form or in dematerialized 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 19, 2017 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. Nilesh Shah, 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

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	Dr. S Devendra	Mr. Sharat Narasapur
Directorships held in other Companies (excluding private, foreign and Section 8 companies)	1. Shasun Biotech Limited, India	1. Alivira Animal Health Limited 2. Sequent Research Limited
Membership / Chairmanship of Committees (includes only Audit and Stakeholders Relationship Committee)	NA	NA
Expertise in specific functional area	He has gained a worldwide reputation for his knowledge in Marketing, Customer Satisfaction, Global Competition and Strategic Thinking. He has been mentoring and developing the marketing skills of Shasun.	Mr. Narasapur has worked with Company's like Dr Reddy's, Gharda Chemicals and his latest assignment was with Aurobindo Pharma as Sr. VP – Operations. He provides leadership to Tech - operations, SCM, QM&RA and Research & Development for the group.
Holding in the Company	NA	70,000 Equity shares
Relationship with other Directors and Key Managerial Personnel	NA	NA
Date of Birth	November 9, 1951	August 30, 1966
Qualification	Graduate in medicine	Degree in Chemical Engineering

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 6 of the accompanying notice:

Item no. 4: Remuneration to the Cost Auditor for the Financial Year 2017-18

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 23, 2017 appointed M/s. Kirit Mehta & Co., practicing Cost Accountant, as Cost Auditor for the Financial Year 2017-2018 on a remuneration upto limit of INR 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 2017-18.

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: Related party transactions of the Company

In terms of provisions of Section 188 of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, certain transactions with related parties which are in excess of the limits as prescribed under the Act require the prior approval of the members of the Company by way of Special Resolution, provided that such requirement does not apply to any transactions entered into by the Company in its ordinary course of business and at an arm's length basis.

As per Regulation 23 of Securities Exchange Board of India(Listing obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") any material related party transaction, i.e., a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the members of the Company by way of Special Resolution.

In this regard the Company is placing the proposal before the members of the Company to obtain the approval by way of Special Resolution for the transactions to be entered with related parties as specified in the resolution from April 1, 2017 to March 31, 2018 as identified by the Company. The Board of Directors and the Audit Committee at their respective meetings held on May 23, 2017 approved these related party transactions.

The transactions with the related parties as specified in the resolution are in the ordinary course of business and at an arm's length basis and the Company proposes to obtain the approval of members in terms of the Regulations.

The Board of Directors recommends the resolution as set out in item no. 5 of this notice for the approval of Members by way of Special Resolution.

None of the Directors, Promoters and Key Managerial Personnel of the Company and their relatives except as specified in the resolution are in any way concerned or interested in this resolution.

Item No. 6

Appointment of Mr. Sharat Narasapur as Joint Managing Director

The Company in their Board Meeting held on November 10, 2016 have appointed Mr. Sharat Narasapur as a Joint Managing Director with effect from January 8, 2017 for a tenure of 3 years at NIL Remuneration subject to approval of the Members of the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on November 10, 2016 approved the appointment of Mr. Sharat Narasapur as a Joint Managing Director of the Company with effect from January 8, 2017.

Appointment of Mr. Sharat Narasapur as Joint Managing Director and NIL remuneration payable to him is subject to approval of the Members of the Company.

Brief particulars of the terms of re-appointment of and remuneration payable to Mr. Sharat Narasapur (DIN: 02808651) are as under:

a. Remuneration: Nil (Mr. Sharat Narasapur draws remuneration of ₹ 7.64 Million from Alivira Animal Health Limited, Wholly Owned Subsidiary of the Company, in the capacity of Joint Managing Director).

b. The Joint Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.

c. The Joint Managing Director shall act in accordance with the Articles of Association, of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

d. The Joint Managing Director shall adhere to the Company's Code of Conduct for Directors and Senior Management Personnel.

e. Mr. Sharat Narasapur (DIN: 02808651) satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196 (3) of the Act. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

f. The above may be treated as a written memorandum under Section 190 of the Companies Act, 2013 setting out the terms of appointment of Mr. Sharat Narasapur (DIN: 02808651).

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

The Board of Directors recommends the resolution as set out in Item no. 6 of this notice for the approval of Members by way of Special Resolution.

Except Mr. Sharat Narasapur no other Director, Promoter, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

By order of the Board of Directors
For Sequent Scientific Limited

sd/-
Krupesh Mehta
Company Secretary

Place: Thane
Date : August 3, 2017

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

1 Name(s) of Member (s) (in block letters) :
(including joint-holders, if any)

2 Registered address of the Sole/ :
First named Member/ Beneficial Owner

3 Registered Folio Number/ DP ID No./ Client ID No.* :
(*Applicable to Investors holding shares in dematerialized form)

4 Number of shares held :
Dear Member,

SUBJECT: PROCESS AND MANNER FOR AVAILING E-VOTING FACILITY

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer e-Voting facility to the Members to cast their votes electronically as an alternative to participation at the 32nd Annual General Meeting ("AGM") of the Company to be held on Tuesday, September 26, 2017 at 11.30 a.m. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-Voting facilities. The e-Voting facility is available at the link https://www.evoting.nsdl.com.

The electronic voting particulars are set out below:

EVEN (e-voting event number)	User ID	Password/ PIN

The e-Voting facility will be available during the following voting period:

Commencement of e-Voting	End of e-Voting
From 10.00 a.m. of September 23, 2017	Upto 5.00 p.m. of September 25, 2017

Please read the instructions printed overleaf before exercising the vote. These details and instructions form integral part of the notice for the AGM to be held on September 26, 2017.

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions below to cast their vote through e-Voting:

a. User ID and Password for e-Voting is provided in the table given on the face of this annexure to the AGM Notice. Please note that the Password is an Initial Password.

b. Launch the internet browser by typing the following https://www.evoting. nsdl.com.

c. Click on "Shareholder-Login".

d. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password for Login. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on https://www.evoting.nsdl.com.

e. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-Voting cycles offered on NSDL e-Voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

f. Home page of "e-Voting" opens. Click on "e-Voting": Active Voting Cycles.

g. Select "EVEN (e-Voting Event Number)" of Sequent Scientific Limited. For an EVEN, you can login any number of times on e-Voting platform of NSDL till you have voted on the resolution during the voting period.

h. Now you are ready for "e-Voting" as "Cast Vote" Page opens.

i. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.

j. Institutional members (i.e. members other than individuals, HUF, NRIs etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at: nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in and investors@sequent.in.

k. Once the vote on a resolution is cast by the member she/ he shall not be allowed to change it subsequently.

l. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-Voting user manual for members available at the "downloads" section of https://www.evoting.nsdl.com or contact NSDL by email at evoting@nsdl.co.in

m. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 19, 2017. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 19, 2017, may obtain the login ID and password by sending a request at https://www.evoting.nsdl.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

n. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.

Registered Office Address of the Company:	301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (West) – 400 604, Maharashtra
	Tel. No.: +91 22 4111 4777
	E-mail: investors@sequent.in
	Website: www.sequent.in
Share Transfer Agents of the Company:	M/s. Adroit Corporate Services Private Limited
	19, Jaferbhoy Industrial Estate, 1st Floor,
	Makwana Road, Marol Naka, Andheri (East),
	Mumbai – 400 059, Maharashtra
	Tel. No.: +91 22 42270400
	Website: www.adroitcorporate.com

Location Map of Venue of the 32nd Annual General Meeting of the Company to be held on Tuesday, September 26, 2017 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (West) – 400 606, at 11.30 a.m.

Thane Station to Hotel Satkar Residency

GREEN INITIATIVE FORM

In view of the Green Initiative of the Ministry of Corporate Affairs allowing paperless compliances by companies under which service of notice / documents including Annual Report is permitted to be sent as a soft copy by e-mail, Members who have not yet provided their consent to receive such soft copies are requested to do so by sending the Consent Form given below, duly completed and signed.

Adroit Corporate Services Private Limited
(Unit: Sequent Scientific Limited)
19/20 Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol
Andheri (East), Mumbai – 400 059

Subject: Consent to receive annual report and other communication electronically

I hereby register my e-mail address and give consent for receiving annual reports, notices and other documents from the Company electronically.

Name of the Sole / First Holder: ....

Folio No. (Physical shares): ....

DP ID / Client ID: ....

Email Address: ....

PAN Number*: ....

Mobile Number*: ....

* Optional field

Date : ....

(Signature of the First Holder)

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 32nd Annual General Meeting of the Company to be held on Tuesday, September 26, 2017 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (West) – 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

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

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: ________________________

as my/ our Proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the 32nd Annual General Meeting of the Company to be held on Tuesday, September 26, 2017 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (West) – 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 (standalone and consolidated) for the period ended March 31, 2017.		
2	Appointment of Director in place of retiring director.		
3	Ratification of appointment of Statutory Auditors .		
Special Business			
4	Remuneration to the Cost Auditor for the Financial Year 2017-18.		
5	Related Party Transactions of the Company.		
6	Appointment of Mr. Sharat Narasapur as Joint Managing Director .		

Signed this ____________________ day of ____________________ 2017

Affix Revenue Stamp

Signature of Shareholder: ______________________________________

Signature of Proxy holder(s): ______________________________________

* 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 (West) – 400 604, Maharashtra) not less than 48 hours before the commencement of the meeting.

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

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
(from January 8, 2017)
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
(From February 11, 2017)

COMPANY SECRETARY

Mr. Krupesh Mehta
(From February 11, 2017)

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. Housing Development Finance Corporation Limited
4. 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

SeQuent Scientific Limited, India:

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

Alivira Animal Health Limited, India:

- Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam, Andhra Pradesh, India
- Plot Nos. A-68, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra, India

SeQuent Research Limited, India:

- Plot Nos. 120A & B, Industrial Area, Baikampady, New Mangalore - 575 011, Karnataka, India
- Plot No. 11, KIDAB Industrial Area, Phase I, Jigani, Anekal Tq, Bengaluru – 560 105, Karnataka, India

Provet Veteriner Ürünleri San. ve Tic. A. S. , Turkey:
Polatlı Organize Sanayi Bölgesi 210., Cad de no:7 Polatlı/ Ankara, Turkey

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

Fendigo SA , Belgium
Avenue Herrmann- Debroux
17,1160 Auderghem, Belgium

Fendigo BV , Netherlands
Schijndel, The Netherlands, at
Acacia 38, (5708) DJ Helmond,
The Netherlands

N- Vet AB , Sweden
Uppsala Science Park, SE- 75183,
Uppsala, Sweden

Alivira Animal Health Limited, Ireland
25-28 North Wall Quay
Dublin 1
D01H104

SeQuent Scientific Limited
CIN: L99999MH1985PLC036685

Registered Office:
301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,
Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra

Tel No: +91 22 4111 4777

Website: www.sequent.in | E-mail id: info@sequent.in