

**SEQUENT SCIENTIFIC LIMITED**  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014**

(Rs in Lakhs)

| S.No.          | Particulars   | CONSOLIDATED           |                        |                        |                        |                        |                      |
|----------------|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
|                |   | Quarter Ended          |                        |                        | Half Year Ended        |                        | Year Ended           |
|                |   | 30-Sep-14<br>UNAUDITED | 30-Jun-14<br>UNAUDITED | 30-Sep-13<br>UNAUDITED | 30-Sep-14<br>UNAUDITED | 30-Sep-13<br>UNAUDITED | 31-Mar-14<br>AUDITED |
| <b>Part-1</b>  |   |                        |                        |                        |                        |                        |                      |
| <b>1</b>       | <b>Income from operations</b>   |                        |                        |                        |                        |                        |                      |
| a              | Net Sales / Income from Operations (net of excise duty)   | 10,550.30              | 11,141.79              | 11,403.87              | 21,692.09              | 23,145.10              | 45,268.24            |
| b              | Other Operating Income  | 230.50                 | 133.20                 | 143.40                 | 363.70                 | 181.00                 | 278.30               |
|                | <b>Total income from operations (net)</b>   | <b>10,780.80</b>       | <b>11,274.99</b>       | <b>11,547.27</b>       | <b>22,055.79</b>       | <b>23,326.10</b>       | <b>45,546.54</b>     |
| <b>2</b>       | <b>Expenses</b>   |                        |                        |                        |                        |                        |                      |
| a              | Cost of materials consumed  | 5,956.00               | 4,672.10               | 5,296.90               | 10,628.10              | 10,303.40              | 23,972.20            |
| b              | Purchase of stock-in-trade  | 460.90                 | 391.50                 | 1,156.30               | 852.40                 | 1,806.40               | 1,624.20             |
| c              | Changes in inventories of finished goods, work-in-progress and stock-in-trade                               | (295.90)               | 1,385.40               | (846.70)               | 1,089.50               | 17.90                  | (1,223.90)           |
| d              | Employee benefits expenses  | 1,708.40               | 1,039.50               | 1,097.50               | 2,747.90               | 2,270.60               | 4,811.90             |
| e              | Depreciation and amortisation expenses  | 689.10                 | 813.30                 | 711.40                 | 1,502.40               | 1,347.60               | 3,259.70             |
| f              | Other expenses  | 3,651.70               | 3,048.60               | 4,209.00               | 6,700.30               | 7,713.00               | 14,683.14            |
|                | <b>Total expenses</b>   | <b>12,170.20</b>       | <b>11,350.40</b>       | <b>11,624.40</b>       | <b>23,520.60</b>       | <b>23,458.90</b>       | <b>47,127.24</b>     |
| <b>3</b>       | <b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>         | <b>(1,389.40)</b>      | <b>(75.41)</b>         | <b>(77.13)</b>         | <b>(1,464.81)</b>      | <b>(132.80)</b>        | <b>(1,580.70)</b>    |
| <b>4</b>       | Other Income  | 162.50                 | 198.70                 | 261.30                 | 361.20                 | 340.00                 | 384.20               |
| <b>5</b>       | <b>Profit/(Loss) from ordinary activities before finance cost and exceptional items (3±4)</b>               | <b>(1,226.90)</b>      | <b>123.29</b>          | <b>184.17</b>          | <b>(1,103.61)</b>      | <b>207.20</b>          | <b>(1,196.50)</b>    |
| <b>6</b>       | Finance cost  | 1,067.60               | 1,136.40               | 917.80                 | 2,204.00               | 1,834.30               | 3,903.80             |
| <b>7</b>       | <b>Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5±6)</b>         | <b>(2,294.50)</b>      | <b>(1,013.11)</b>      | <b>(733.63)</b>        | <b>(3,307.61)</b>      | <b>(1,627.10)</b>      | <b>(5,100.30)</b>    |
| <b>8</b>       | Exceptional items : Expense/(Income)  | (5,514.20)             | -                      | -                      | (5,514.20)             | -                      | 5,891.20             |
| <b>9</b>       | <b>Profit/(Loss) from ordinary activities before tax (7±8)</b>  | <b>3,219.70</b>        | <b>(1,013.11)</b>      | <b>(733.63)</b>        | <b>2,206.59</b>        | <b>(1,627.10)</b>      | <b>(10,991.50)</b>   |
| <b>10</b>      | Tax Expense   | (70.20)                | 87.30                  | -                      | 17.10                  | 46.80                  | 57.90                |
| <b>11</b>      | <b>Net Profit/(Loss) from Ordinary activities after tax (9±10)</b>  | <b>3,289.90</b>        | <b>(1,100.41)</b>      | <b>(733.63)</b>        | <b>2,189.49</b>        | <b>(1,673.90)</b>      | <b>(11,049.40)</b>   |
| <b>12</b>      | Extraordinary items   | -                      | -                      | -                      | -                      | -                      | -                    |
| <b>13</b>      | <b>Net Profit/(Loss) for the period(11±12)</b>  | <b>3,289.90</b>        | <b>(1,100.41)</b>      | <b>(733.63)</b>        | <b>2,189.49</b>        | <b>(1,673.90)</b>      | <b>(11,049.40)</b>   |
| <b>14</b>      | Share of profit/(Loss) of associates  | -                      | -                      | -                      | -                      | -                      | -                    |
| <b>15</b>      | Minority Interest   | (66.40)                | 40.78                  | -                      | (25.63)                | -                      | -                    |
| <b>16</b>      | <b>Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13±14±15)</b> | <b>3,356.30</b>        | <b>(1,141.19)</b>      | <b>(733.63)</b>        | <b>2,215.12</b>        | <b>(1,673.90)</b>      | <b>(11,049.40)</b>   |
| <b>17</b>      | Paid-up equity share capital (Face Value per share Rs.10 each)  | 2,733.52               | 2,733.52               | 2,678.54               | 2,733.52               | 2,678.54               | 2,733.52             |
| <b>18</b>      | Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year                      |                        |                        |                        |                        |                        | 133.50               |
| <b>19.i</b>    | <b>Earnings Per Share before Extraordinary Items for the period (Non-Annualised)</b>                        |                        |                        |                        |                        |                        |                      |
|                | Basic (Rs.)   | 12.28                  | (4.17)                 | (2.74)                 | 8.10                   | (6.25)                 | (42.76)              |
|                | Diluted (Rs.)   | 9.46                   | (4.17)                 | (2.74)                 | 6.24                   | (6.25)                 | (42.76)              |
| <b>19.ii</b>   | <b>Earnings Per Share after Extraordinary Items for the period (Non-Annualised)</b>                         |                        |                        |                        |                        |                        |                      |
|                | Basic (Rs.)   | 12.28                  | (4.17)                 | (2.74)                 | 8.10                   | (6.25)                 | (42.76)              |
|                | Diluted (Rs.)   | 9.46                   | (4.17)                 | (2.74)                 | 6.24                   | (6.25)                 | (42.76)              |
| <b>Part-II</b> |   |                        |                        |                        |                        |                        |                      |
| <b>A</b>       | <b>PARTICULARS OF SHAREHOLDING</b>  |                        |                        |                        |                        |                        |                      |
| <b>1</b>       | <b>Public Shareholding</b>  |                        |                        |                        |                        |                        |                      |
|                | No. of Shares   | 9,442,359              | 9,460,518              | 9,472,358              | 9,442,359              | 9,472,358              | 9,472,358            |
|                | % of Share Holding  | 34.54%                 | 34.61%                 | 35.36%                 | 34.54%                 | 35.36%                 | 34.65%               |
| <b>2</b>       | <b>Promoters and Promoter Group Shareholding</b>  |                        |                        |                        |                        |                        |                      |
| a)             | Pledged / Encumbered  |                        |                        |                        |                        |                        |                      |
| 1.             | No. of shares   | 1,000,000              | 1,000,000              | 1,000,000              | 1,000,000              | 1,000,000              | 1,000,000            |
| 2.             | Percentage of shares (as a % of the total shareholding of promoter & promoter group)                        | 5.59%                  | 5.59%                  | 5.78%                  | 5.59%                  | 5.78%                  | 5.60%                |
| 3.             | Percentage of shares (as a % of the total share capital of the company)                                     | 3.66%                  | 3.66%                  | 3.73%                  | 3.66%                  | 3.73%                  | 3.66%                |
| b)             | Non-encumbered  |                        |                        |                        |                        |                        |                      |
| 1.             | No. of shares   | 16,892,832             | 16,874,673             | 16,312,833             | 16,892,832             | 16,312,833             | 16,862,833           |
| 2.             | Percentage of shares(as a % of the total shareholding of promoter & promoter group)                         | 94.41%                 | 94.41%                 | 94.22%                 | 94.41%                 | 94.22%                 | 94.40%               |
| 3.             | Percentage of shares (as a % of the total share capital of the company)                                     | 61.80%                 | 61.73%                 | 60.90%                 | 61.80%                 | 60.90%                 | 61.69%               |
| <b>B</b>       | <b>INVESTOR COMPLAINTS</b>  |                        |                        |                        |                        |                        |                      |

|  |     |
|--|-----|
| Pending at the beginning of the quarter        | NIL |
| Received during the quarter                    | NIL |
| Disposed of during the quarter                 | NIL |
| Remaining unresolved at the end of the quarter | NIL |

| STATEMENT OF ASSETS AND LIABILITIES |  | (Rs. in Lakhs)       |                      |
|-------------------------------------|--|----------------------|----------------------|
|                                     |  | CONSOLIDATED         |                      |
| S.No.                               | Particulars                                      | As at<br>30 Sep 2014 | As at<br>31 Mar 2014 |
| <b>I.</b>                           | <b>EQUITY AND LIABILITIES</b>                    |                      |                      |
| <b>1</b>                            | <b>Shareholders' funds</b>                       |                      |                      |
|                                     | (a) Share capital                                | 2,733.52             | 2,674.00             |
|                                     | (b) Reserves and surplus                         | 7,724.60             | 133.50               |
|                                     | (c) Money received against share warrants        | 3,945.80             | 1,065.10             |
|                                     | <b>Sub-total-Shareholder's fund</b>              | <b>14,403.92</b>     | <b>3,872.60</b>      |
| <b>2</b>                            | <b>Share application money pending allotment</b> | -                    | 1,800.00             |
| <b>3</b>                            | <b>Minority Interest</b>                         | 15,581.70            | 458.00               |
| <b>2</b>                            | <b>Non-current liabilities</b>                   |                      |                      |
|                                     | (a) Long-term borrowings                         | 14,404.00            | 15,108.40            |
|                                     | (b) Deferred tax liabilities (Net)               | 4.20                 | 12.20                |
|                                     | (c) Other Long term liabilities                  | -                    | -                    |
|                                     | (d) Long-term provisions                         | 718.80               | 802.50               |
|                                     | <b>Sub-total-Non-current liabilities</b>         | <b>15,127.00</b>     | <b>15,923.10</b>     |
| <b>3</b>                            | <b>Current liabilities</b>                       |                      |                      |
|                                     | (a) Short-term borrowings                        | 20,781.00            | 22,660.00            |
|                                     | (b) Trade payables                               | 9,987.00             | 11,458.70            |
|                                     | (c) Other current liabilities                    | 5,362.80             | 5,680.30             |
|                                     | (d) Short-term provisions                        | 442.48               | 418.70               |
|                                     | <b>Sub-total-Current liabilities</b>             | <b>36,573.28</b>     | <b>40,217.70</b>     |
|                                     | <b>TOTAL - EQUITY AND LIABILITIES</b>            | <b>81,685.90</b>     | <b>62,271.40</b>     |
| <b>II.</b>                          | <b>ASSETS</b>                                    |                      |                      |
| <b>1</b>                            | <b>Non-current assets</b>                        |                      |                      |
|                                     | (a) Fixed assets                                 | 41,442.90            | 27,117.90            |
|                                     | (b) Goodwill on consolidation                    | 945.30               | 945.30               |
|                                     | (c) Non-current investments                      | 5,803.70             | 3.60                 |
|                                     | (d) Deferred tax assets (net)                    | -                    | -                    |
|                                     | (e) Long-term loans and advances                 | 5,030.40             | 7,750.60             |
|                                     | (f) Other non-current assets                     | 229.10               | 170.00               |
|                                     | <b>Sub-total-Non-current assets</b>              | <b>53,451.40</b>     | <b>35,987.40</b>     |
| <b>2</b>                            | <b>Current assets</b>                            |                      |                      |
|                                     | (a) Current investments                          | 274.60               | 7.70                 |
|                                     | (b) Inventories                                  | 8,148.20             | 10,139.60            |
|                                     | (c) Trade receivables                            | 8,782.30             | 8,354.30             |
|                                     | (d) Cash and cash equivalents                    | 5,733.60             | 3,621.30             |
|                                     | (e) Short-term loans and advances                | 4,988.50             | 3,810.90             |
|                                     | (f) Other current assets                         | 307.30               | 350.20               |
|                                     | <b>Sub-total-Current assets</b>                  | <b>28,234.50</b>     | <b>26,284.00</b>     |
|                                     | <b>TOTAL - ASSETS</b>                            | <b>81,685.90</b>     | <b>62,271.40</b>     |

**Notes:**

- The unaudited consolidated financial results has been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on November 12, 2014.
- The statutory auditors have carried out limited review of the consolidated financial results.
- Segment Results

The Company has identified Pharmaceuticals, Specialty Chemicals and Analytical Services as its business segments, Segments have been identified taking in to account the nature of products, the differing risks and returns, the organisational structure and the internal reporting system.

(Rs. in Lakhs)

| SI. No   | Particulars   | Quarter Ended          |                        |                        | Half Year Ended        |                        | Year Ended           |
|----------|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
|          |   | 30-Sep-14<br>UNAUDITED | 30-Jun-14<br>UNAUDITED | 30-Sep-13<br>UNAUDITED | 30-Sep-14<br>UNAUDITED | 30-Sep-13<br>UNAUDITED | 31-Mar-14<br>AUDITED |
| <b>1</b> | <b>Segment Revenue</b>  |                        |                        |                        |                        |                        |                      |
|          | a) Pharmaceuticals  | 9,617.29               | 9,654.30               | 9,731.04               | 19,271.60              | 19,453.78              | 38,589.72            |
|          | b) Specialty Chemicals (Refer Note 5a below)                    | 840.30                 | 1,365.90               | 1,622.20               | 2,206.20               | 3,414.16               | 6,022.28             |
|          | c) Analytical Services  | 323.21                 | 254.79                 | 194.03                 | 577.99                 | 458.16                 | 934.54               |
|          | <b>Net Sales /Income from Operations</b>                        | <b>10,780.80</b>       | <b>11,274.99</b>       | <b>11,547.27</b>       | <b>22,055.79</b>       | <b>23,326.10</b>       | <b>45,546.54</b>     |
| <b>2</b> | <b>Segment Results</b>  |                        |                        |                        |                        |                        |                      |
|          | <b>Profit or Loss before Tax and Interest from Each Segment</b> |                        |                        |                        |                        |                        |                      |
|          | a) Pharmaceuticals  | (688.28)               | (308.26)               | (363.23)               | (996.54)               | (810.12)               | (4,159.88)           |
|          | b) Specialty Chemicals (Refer Note 5a below)                    | (31.00)                | 153.60                 | 228.43                 | 122.60                 | 515.56                 | 533.04               |
|          | c) Analytical Services  | 28.98                  | 79.26                  | 57.70                  | 108.24                 | 161.98                 | 101.20               |
|          | <b>Total</b>  | <b>(690.30)</b>        | <b>(75.40)</b>         | <b>(77.10)</b>         | <b>(765.70)</b>        | <b>(132.58)</b>        | <b>(3,525.64)</b>    |
|          | Less (i) Finance Cost   | 1,067.70               | 1,136.40               | 917.80                 | 2,204.10               | 1,834.60               | 3,903.80             |
|          | (ii) other unallocable expenditure net off unallocable (income) | (4,977.70)             | (198.69)               | (261.27)               | (5,176.39)             | (340.08)               | 3,562.06             |
|          | <b>Total Profit / (Loss) Before Tax</b>                         | <b>3,219.70</b>        | <b>(1,013.11)</b>      | <b>(733.63)</b>        | <b>2,206.59</b>        | <b>(1,627.10)</b>      | <b>(10,991.50)</b>   |
| <b>3</b> | <b>Capital Employed</b>   |                        |                        |                        |                        |                        |                      |
|          | a) Pharmaceuticals  | 51,434.83              | 50,386.03              | 48,453.28              | 51,434.83              | 48,453.28              | 33,688.00            |
|          | b) Specialty Chemicals (Refer Note 12 below)                    | -                      | 3,363.00               | 6,853.72               | -                      | 6,853.72               | 2,942.10             |
|          | c) Analytical Services  | 497.47                 | 457.57                 | 2,267.10               | 497.47                 | 2,267.10               | 423.30               |
|          | d) Unallocated  | (21,946.68)            | (29,373.90)            | 4,871.10               | (21,946.68)            | 4,871.10               | (30,922.80)          |
|          | <b>Total</b>  | <b>29,985.62</b>       | <b>24,832.70</b>       | <b>62,445.20</b>       | <b>29,985.62</b>       | <b>62,445.20</b>       | <b>6,130.60</b>      |

4. During the quarter the Company has issued 30 Lakhs warrants to its promoter group.

5. Exceptional Items consists of:

5a. During previous year, the Board of Directors of the Company have approved the transfer of Specialty Chemicals Division of the Company along with all related assets and liabilities by way of slump sale. The Specialty Chemicals Division is reported as part of the Specialty Chemicals segment of the Company. During the previous quarter, requisite approval from the shareholders as per the provisions of Section 180(1)(a) of the Companies Act, 2013 has been obtained through postal ballot. In August 2014, the Company has completed the sale and net profit on above sale of Rs.5,514.20 Lakhs for the quarter and six months ended 30 September 2014 is included under Exceptional items.

The profit/(loss) of the discontinued business included in the above is as follows:

(Rs in Lakhs)

| Profit/(loss) of the discontinuing business included in the above | Quarter Ended |           |           | Half Year Ended |           | Year Ended |
|---|---------------|-----------|-----------|-----------------|-----------|------------|
|   | 30-Sep-14     | 30-Jun-14 | 30-Sep-13 | 30-Sep-14       | 30-Sep-13 | 31-Mar-14  |
| Specialty Chemicals Division                                      | (4.90)        | (14.40)   | 203.60    | (19.40)         | 347.20    | (21.80)    |

5b. Sequent had developed certain non-infringing technologies/IPs in the complex area of Penems. However, the implementation of project got delayed due to delays in environmental approval from Government of India. Further, post the change of control of our key customer for the business, the Company was uncertain of their continued interest in the project. Given the significant additional investments involved to complete the project, the Company had decided to discontinue the project and write-down the related cost and investments of Rs.Nil ( Rs.4,820.30 Lakhs for the year ended 31 March 2014), which is included in exceptional items.

5c. The Company had given corporate guarantees to Triodos Sustainable Trade Fund (the Fund) towards credit facilities availed by its step-down subsidiaries (Vedic Fanxipang Pharma Chemic Company Ltd and Elysian Life Sciences Mauritius Ltd) amounting to USD 1.30 Millions and USD 2.20 Millions respectively. On account of default, the same have been encashed by said fund and the balances outstanding amount of Nil (USD 0.23 Millions (Rs.147.80 Lakhs for the year ended 31 March 2014)) and Nil (USD 1.01 Millions (Rs. 639.70 Lakhs for the year ended 31 March 2014)) have been paid by the Company and included under Exceptional items in the results.

5d. Advance paid for purchase of shares amounting to Rs. 500 lakhs has been written off in the year ended 31 March 2014.

6. During the previous quarter, the Company invested Rs.3,850 Lakhs in 35,00,000 equity shares of Shasun Pharmaceuticals Limited. Further, the Company subscribed to 71,00,000 warrants of Shasun Pharmaceuticals Limited which is convertible into equivalent number of equity shares of face value of Rs.2 each. The Company has paid Rs.1,952.50 Lakhs as advance for subscription of these warrants in the previous quarter.

7. Subsequent to the quarter end, Alivira Animal Health Limited, subsidiary of the Company has acquired 60% stake in Provet Veterinary Products AS, Turkey.

8. During the quarter the Company has incorporated a step down subsidiary, Alivira Animal Health Limited, Ireland. The Company has disposed the investment in step down subsidiary Vedic Fanxipang Chemic Company Limited, Vietnam.

9. The Company is in the process of assessing the potential impact of depreciation on adoption of Schedule II of the Companies Act 2013, which has come into effect from April 1, 2014. Pending such assessment, no adjustments have been made in these results.

10. Information on Standalone Results:

(Rs in Lakhs)

|                                    | Quarter Ended |            |           | Half Year Ended |            | Year Ended  |
|------------------------------------|---------------|------------|-----------|-----------------|------------|-------------|
|                                    | 30-Sep-14     | 30-Jun-14  | 30-Sep-13 | 30-Sep-14       | 30-Sep-13  | 31-Mar-14   |
| Total Income from operations (net) | 11,504.20     | 11,302.70  | 11,417.40 | 22,806.90       | 22,778.60  | 44,508.40   |
| Profit before Tax                  | 4,662.80      | (1,248.50) | (996.90)  | 3,414.30        | (1,926.80) | (11,441.60) |
| Profit after Tax                   | 4,662.80      | (1,248.50) | (996.90)  | 3,414.30        | (1,926.80) | (11,441.60) |

11. The Group is in the process of assessing the potential impact of depreciation on adoption of Schedule II of the Companies Act 2013, which has come into effect from April 1, 2014. Pending such assessment, no adjustments have been made in these results.

12. During the quarter, the Group has sold its Specialty Chemicals segment and accordingly left with two business segments "Pharmaceuticals" and "Analytical services".

13. Figures for previous periods have been regrouped and rearranged, wherever necessary, to confirm to the relevant current period classification.

For Sequent Scientific Limited

Place : Bengaluru  
Date : November 12, 2014

**Dr. Gautam Kumar Das**  
**Joint Managing Director**