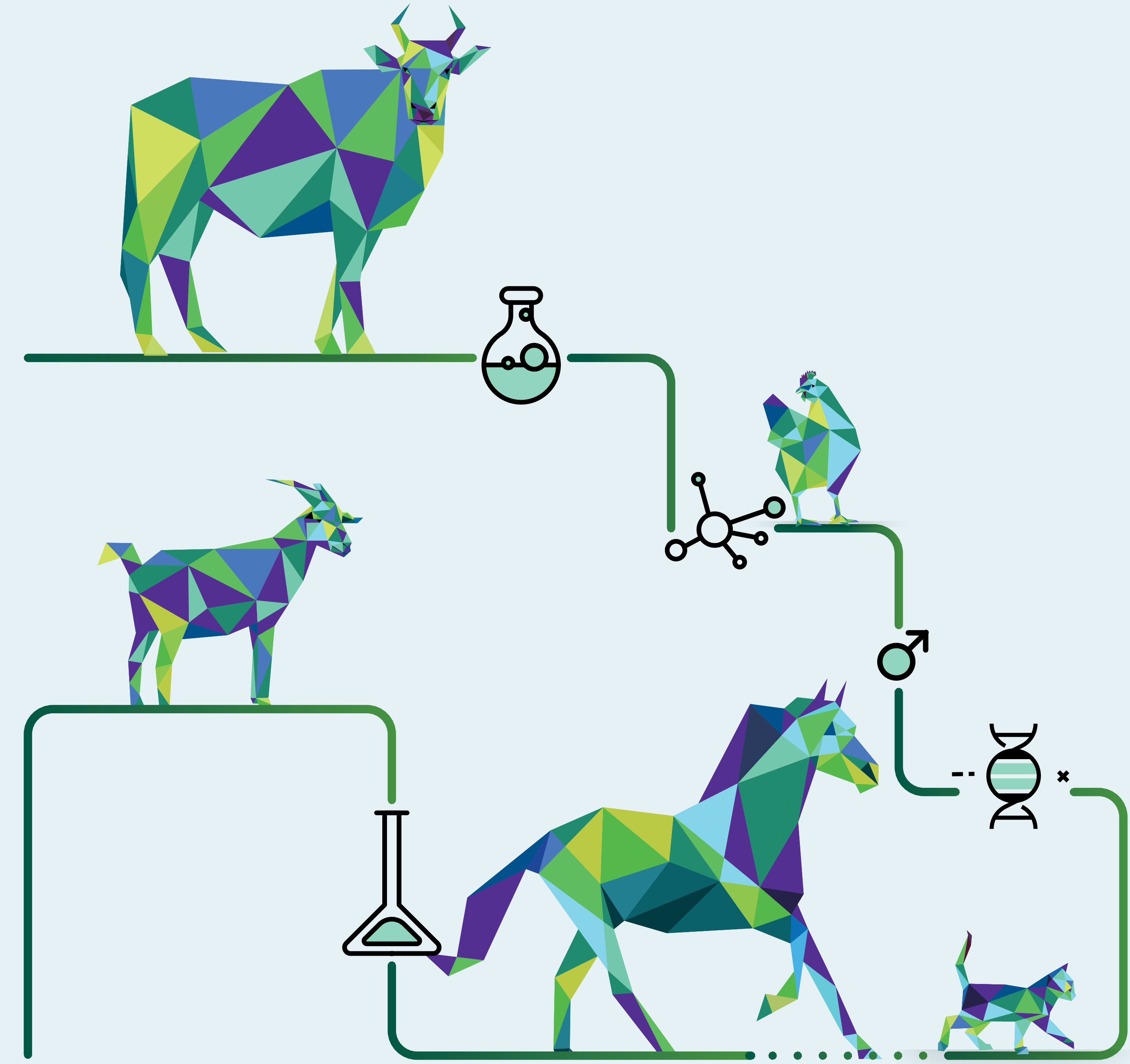
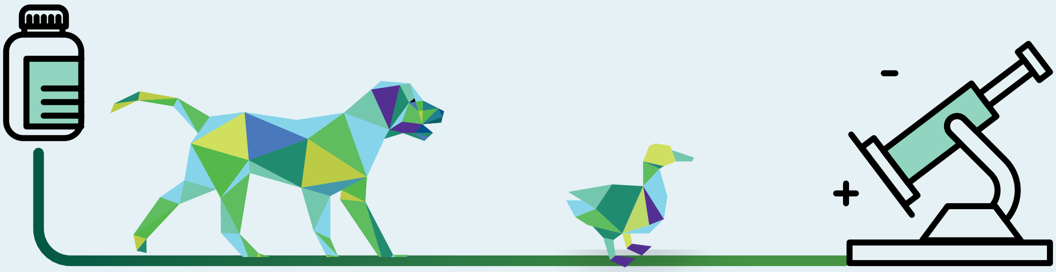
Sequent
Proven Ability In Life Sciences

ALIVIRA





# SEQUENT SCIENTIFIC LIMITED ANNUAL REPORT **2024-25**

# Contents

## Corporate Overview



# Building a differentiated, global animal health leader with integrated capabilities

Our journey has been filled with focused transformation initiatives, where each phase has built a stronger foundation for the next one.

## Growing with momentum in FY25

**₹15,514 Mn**

Revenue from operations
**13%***

**₹1,993 Mn**

EBITDA^
**87%***

*year-on-year growth
^EBITDA Adjustment for ESOP and foreign currency fluctuation

## Sequent 1.0

### Building blocks for growth (2010-2019)

In our formative years, we focused on expanding presence in key global markets through mergers and acquisitions. These years were marked by experimentation, evolving business model with an ambition to build global scale in the animal health space.

## Sequent 2.0

### Sharpening focus (2020-2025)

With the foundation in place, we shifted focus to integration and operational efficiency. We invested in reinforcing our capabilities which included realigning and upgrading technical and manufacturing capabilities, onboarding leadership talents, venturing into new segments and geographies.

## Sequent 3.0

### Creating a unique, differentiated global animal health player (2025 onwards)

We now step into SeQuent 3.0, a new phase focused on driving organic and inorganic growth. This strategy involves building robust end-to-end integrated capabilities to significantly boost our market share and intensify our focus on key customers. Our ambitious vision is powered by continued, strategic investments in R&D, manufacturing and global leadership talent.

### Pillars of progress

Over the last 12 months, we strengthened our core capabilities.

**Manufacturing scale and quality**

+ Read more on pg. 08

**R&D expertise**

+ Read more on pg. 10

**Front-end presence**

+ Read more on pg. 12-13

**Inorganic growth**

+ Read more on pg. 14

**Our transformation is in motion, guided by a clear strategy, strengthened by purposeful actions, and driven by the ambition to accelerate in the global animal health landscape.**

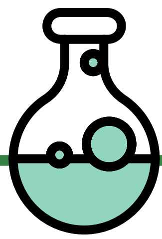
**₹11,858 Mn**

Revenue from formulations
**19%***

**₹3,378 Mn**

Revenue from APIs
**4%***

*year-on-year growth



## About us

# Accelerating our unique value proposition

SeQuent Scientific Limited (referred to as 'SeQuent', 'we', or 'our Company') is India's leading animal health player with growing global prominence. With state-of-the-art manufacturing facilities across Europe, Turkey, Brazil, and India, we are proudly positioned among the top 25 animal health companies worldwide.

Our differentiated business model enables us to deliver high-quality products across key animal health markets led by our proximity to local markets and ability to offer products across a wide variety of dosage forms. We offer an integrated portfolio that includes Active Pharmaceutical Ingredients (APIs), Finished Drug Formulations (FDFs), and analytical services, designed to meet the evolving needs of the global animal health industry.

ALIVIRA

### Animal well-being, powered by Alivira

Alivira, our animal health brand, is advancing veterinary care, offering solutions that promote animal well-being. Through strong emphasis on quality and sustainability, we deliver products that address the needs of veterinarians and farmers alike.

Backed by the strength of Carlyle Group and guided by a seasoned Board, we are focused on unlocking new growth opportunities. We are expanding our product portfolio across formulations and APIs along with entering new markets, and deepening customer engagement. With five advanced R&D centres driving innovation, we are developing differentiated products tailored to evolving customer needs, reinforcing our market presence across geographies.

# 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 standard of quality, governance & compliance

# Our Values

### Adaptability

- Any situation, anytime.
- We adjust to new tasks and always appear flexible.

### Accountability

- Speak up. Step up.
- We acknowledge and take responsibility for our actions and decisions.

### Integrity

- Do the right thing. Always.
- We respect one another and act honestly at all times.

### Collaboration

- We are stronger than me.
- We encourage everyone to work together believing that the whole is greater than the sum of parts.

### Continuous Improvement

- Better each day.
- We improve systems and procedures for better quality and cost efficiency.

## About us

# 30+

Years of market excellence

# 9

Strategic acquisitions

# 2x

R&D Investment commitment in FY26 vis-a-vis FY25

# 30+

Commercial APIs

# Largest

Animal health company from India

# ~2/3

Revenues from regulated markets

# 1,000+

Product registrations across 12 dosage forms

# 90+

Countries across the globe

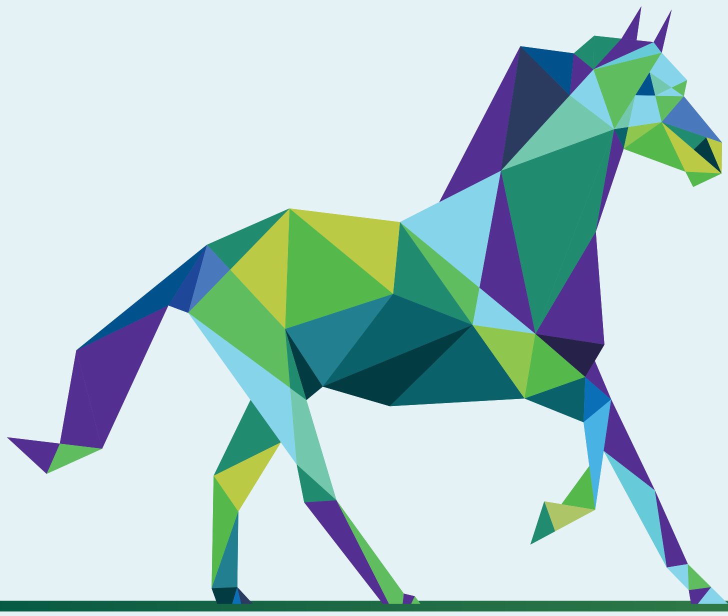
# 1,600+

Diversified employee workforce

## Progress across markets

# Bespoke strategies for global opportunities

Our global presence across 90+ countries is built on strong last-mile partnerships and the commitment of our dedicated local teams. We continue to strengthen our front-end footprint, guided by a strategy that values local insights and market-specific expertise, ensuring we remain close to customers and offer quicker delivery timelines.



## Europe

### Opportunity

**2nd largest**
Animal health market in the world

**Top 10**
Regions account for over 80% of the overall European market

### SeQuent's Strategy

Develop local presence in key animal health markets aided by bigger R&D investments particularly in the high value injectables segment and scout for inorganic opportunities to drive growth

Leverage our front-end presence to get in partnership with other animal health players for distribution opportunities

### FY25 Developments

- Received Turkish GMP approval
- Launch of Phyto-solutions range
- Ramp-up of manufacturing to meet the growing demand

## Turkey

### Opportunity
**One of the key**
veterinary markets, globally

### SeQuent's Strategy
Leverage EUGMP approval for greater exports while solidifying presence in local markets

### FY25 Developments
- Growing export sales as planned
- Launch of new dosage forms

## Latin America (LATAM)

### Opportunity
Brazil and Mexico form **2/3rd** of the LATAM market

### SeQuent's Strategy
Brazil is a key animal health market and focus will be on leveraging local presence to capture incremental market share

### FY25 Developments
- Launch of Phyto-solutions range
- In Mexico, as part of our strategy to enhance agility and drive faster execution, we established a dedicated local leadership team

## ROW (Africa, SE Asia, Middle East)

### Opportunity
Growing market for animal protein with ample growth opportunities

### SeQuent's Strategy
Establish products from our global portfolio by marketing through region-specific technical managers

### FY25 Developments
- Initiated geographical expansion in Vietnam
- GMP certifications for multiple countries
- New registrations in progress

## India

### Opportunity
**Largest**
Milk producer globally

**Fast**
Growing companion segment

### SeQuent's Strategy
Uniquely positioned in highly fragmented cattle and poultry markets

### FY25 Developments
- Increased field count by ~40% and launched new products to widen reach and strengthen brand presence

Manufacturing scale and quality

# Powering growth through a global footprint

Our manufacturing footprint spans Europe, India, Latin America, and Turkey, anchored by two API and five formulation facilities. Our well-diversified infrastructure is central to our growth strategy, enabling us to scale operations, optimise cost and process efficiency, and ensure consistent, high-quality supply across key markets. It also positions us to respond swiftly to evolving customer needs while deepening our presence in both developed and emerging geographies.

**1. CAMPINAS, BRAZIL**

Dosage: Powders and premixes

Approvals: MAPA

**2. MINAS GERAIS, BRAZIL**

Dosage: Premixes, tablets, pastes, suspensions and solutions

Approvals: MAPA

**3. BARCELONA, SPAIN**

Capabilities: Dedicated beta-lactam powder block & nutritional line

Dosage: Oral solutions/suspensions, powders and premixes

Approvals: EUGMP, Turkish GMP

**4. ANKARA, TURKEY**

Capabilities: Beta-lactam, Non Beta-lactam, hormones

Dosage: Sterile suspension & injectable, dry powder, aerosols, intramammary, pour-on, spot-on, oral solutions/suspensions

Approvals: EUGMP, Turkish GMP

**5.AMBERNATH, INDIA**

Capabilities: Sterile granules

Dosage: Oral solutions/suspensions, powders, and premixes

Approvals: cGMP, India, Uganda, Ethiopia, Kenya

● API ● Formulations ● R&D Centres


# 7

State-of-the-art manufacturing facilities

# INDIA'S ONLY

Veterinary focused USFDA-approved API facility

**6. MAHAD, INDIA**

Capabilities: API facility with reactor capacity of 80KL with two clean rooms

Approvals: EUGMP, COFEPRIS Mexico

**7. VIZAG, INDIA**

Capabilities: API facility with reactor capacity of 300+ KL with 10 clean rooms

Approvals: US FDA, EUGMP, WHO-Geneva

Map not to scale

We are committed to delivering best-in-class products that meet the highest international regulatory standards (USFDA, EUGMP, WHO) while also adapting offerings to meet diverse customer needs. Through continuous investment in technology, talent, and operational excellence, we are strengthening our position across key markets and thereby extending the reach of our portfolio.

## Quality control and assurance

Our commitment to quality is driven by a rigorous and systematic approach to control, assurance, and continuous improvement. We perform detailed process checks and in-depth analysis to ensure consistency, compliance, and reliability across our operations. Internal audits are conducted regularly by our Quality Assurance (QA) team, supplemented by external audits from GMP consultants at regular frequency. In addition, we actively welcome and participate in customer audits, reinforcing transparency and our dedication to the highest standards of quality.

## Our focused and consistent efforts led to following recognition during the year

- Vizag awarded CII Safety Leadership Gold; scored 98.5 (A+) from AP Safety Board
- Vizag site received accretion from JMAFF, Ministry of Agriculture, Forest and Fisheries, Japan
- Mahad site recognised for health & occupation safety at National Safety Council, India

R&D expertise

# Advancing innovation that drives differentiation

We are committed to delivering exceptional products, enabled by our five best-in-class R&D centres located in India, Spain, Brazil and Turkey.

These centres are instrumental in ensuring our products meet the stringent requirements of the regulated markets. The Brazil and Turkey centres play pivotal roles in tailoring solutions to suit regional needs, while our API-focused centre in India anchors innovation to drive new product development for global formulation partners. Our expanding portfolio reflects deep technological expertise and a consistent focus on value-driven innovation.

Our R&D team has capabilities in multiple dosage forms widely prescribed in the animal health industry such as injectables, oral solids, oral liquids, powders and premixes among others. Our development centers located in India, Europe and LATAM serve the animal health needs of both developed and emerging markets.

## R&D priorities

**01** Building and protecting IP assets to drive sustainable, long-term growth.

**02** Delivering value through process efficiency and operational optimisation.

**03** Ensuring regulatory compliance and safeguarding competitive advantage.

**04** Focusing on creating differentiated offerings that address unmet market needs.

## Finished Drug Formulations

# Accelerating partnerships and product launches

Our Finished Dosage Formulations (FDF) business remains central to our global operations, contributing 76% of FY25 revenues. It delivered impressive performance across all geographies, supported by our deep industry knowledge and focus on customer needs.

With a portfolio of over 1,000 products across 12 dosage forms including tablets, injectables, suspensions and topicals, we address key therapeutic areas such as nutrition, pain management, parasite control, antibiotics, and gut health, ensuring comprehensive care for livestock, poultry, and companion animals.

As part of our growth strategy, we have sharpened our focus on strengthening direct market presence across key animal health regions including Europe, Brazil, India, and Turkey. This approach has yielded tangible results, positioning us as a prominent player. Backed by a comprehensive product portfolio spanning critical therapeutic classes such as antibiotics, anthelmintics, pain management and nutrition, we remain committed to advancing standards and expanding our global reach.

**5**
Manufacturing sites

**4**
R&D centres

**₹11,858 Mn**
Revenue in FY25

**~2/3rd**
Sales to regulated markets

### Key highlights of FY25

- Strong revenue growth of 19% delivered during the year
- Renewed the EUGMP certificate in Turkey, reaffirming our commitment to quality and enabling continued access to regulated markets
- Forged new brand partnerships, deepening market penetration and portfolio diversification across Europe
- Achieved strong vaccine distribution sales in Belgium and the Netherlands
- Restructured LATAM organisation in Mexico to support structured expansion across adjacent markets
- Optimised pricing in Turkey and capitalised on strong demand across MENA, sustaining momentum in high-potential markets
- Restructured the Emerging Markets business with a focus on volume recovery and operational realignment
- Increased field personnel by 40% in India, strengthening our presence and expanding last-mile reach in the fast-growing formulations segment

## Active Pharmaceutical Ingredients

# Driving margin expansion through operational excellence

We remain committed to consistently deliver reliable, high-quality products with unwavering reliability and timeliness, earning recognition as a trusted global supplier of Active Pharmaceutical Ingredients (APIs).

**2**
Manufacturing facilities

**33**
US VMF Fillings

**1**
R&D centre

**₹3,378 Mn**
Revenue in FY25

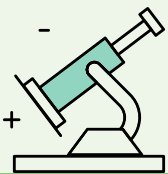
**30+**
Commercial APIs

**10+**
Pipeline

Our capabilities are aligned with international standards, enabling us to offer dependable solutions tailored to the needs of the veterinary industry. A robust and responsive supply chain reinforces our reputation as a preferred partner in animal health.

We address the sector's complex requirements with reliable, high-quality products. Beyond fulfilling expectations, we strive to empower our customers to strengthen and expand their market presence through enduring partnerships and value-driven collaboration.

| Particulars | FY25 Developments | Total Products |
|---|---|---|
| US VMF Filing | 2 | 33 |
| EU CEP Approvals | 1 | 17 |




### Key highlights of FY25

- Witnessed a revival in demand for anthelmintic products, with a marked preference for our high-quality API grade
- Launched Project Parivartan & Pragati 2.0, marking a significant upgrade in quality systems, production and supply chain efficiencies
- Achieved WHO Prequalification for Albendazole API, reinforcing global quality standards
- Received Japanese accreditation, expanding global reach
- Secured a 98.5 score with A+ grading for the Vizag facility from the Department of Industrial Safety and Health
- Earned the NSCI Safety Award 2024 for the Mahad site, recognising sustained safety performance and an extended accident-free period

## Inorganic growth

# Strategic merger unlocking newer possibilities

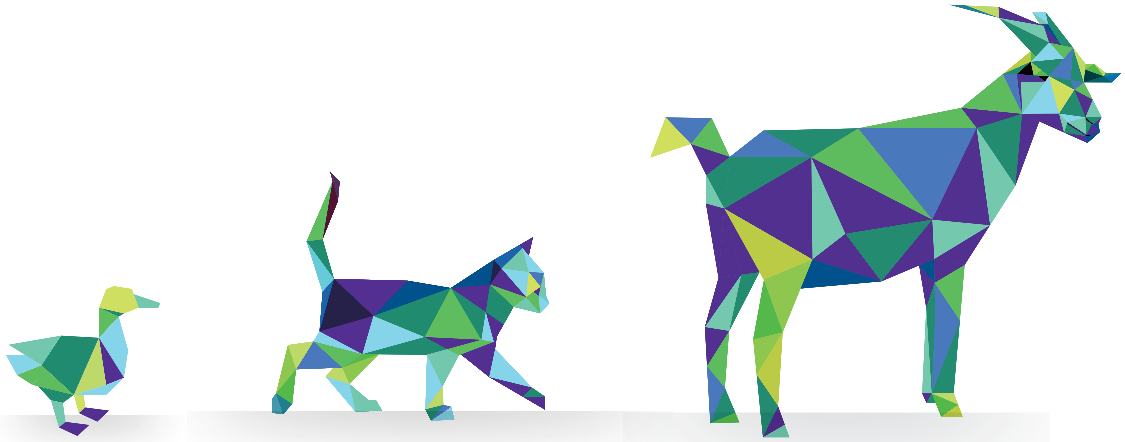
During FY25, we announced a strategic merger with Viyash Life Sciences Private Limited (Viyash), aimed at creating a global animal health leader with end-to-end capabilities. This merger is designed to harness the complementary strengths of SeQuent and Viyash across research, development, and manufacturing, while significantly expanding our market reach across key pharmaceutical markets. The combined entity will benefit from a strengthened financial foundation, enhanced R&D depth, and an efficient integrated supply chain.

In FY25, Viyash delivered a strong performance, achieving 11% year-on-year revenue growth and 52% year-on-year increase in adjusted EBITDA. The company also accelerated its pace of new filings and product launches, reinforcing its commitment to innovation-led growth.

### Combined Capabilities

| | R&D expertise | Manufacturing scale | | | Robust supply chain | Front-end presence |
|---|---|---|---|---|---|---|
| | R&D team size | Manufacturing capacity | Manufacturing facilities | USFDA-approved units | Minimising external dependencies | Marquee customers (US$1 Bn+ annual revenue) |
| SeQuent (Proven Ability In Life Sciences) | 35+ | 370 KL* | 7 | 1 | In-sourcing manufacturing given end-to-end integrated capabilities<br>Scale to deliver procurement savings | 5 |
| Viyash | 200+ | 2,040 KL | 9 | 9 | | 5 |
| | 6x | 5x | 2x | 10x | | 2x |
| Merged Entity | 235+ | 2,400 KL | 16 | 10 | | 10 |

*API plant capacity



## Building a unique, integrated animal health platform

The merger will establish a differentiated, end-to-end platform to serve global markets and pharmaceuticals clients. By bringing together complementary strengths in R&D, manufacturing, and supply chain capabilities, the combined entity is positioned to serve a wide spectrum of healthcare needs. It will operate with 6x larger R&D team, 10x USFDA-approved facilities with presence in 150 countries — creating a powerful, future-ready foundation.

## Accelerating growth and expanding market leadership

This strategic combination will significantly strengthen our position while unlocking opportunities in the wider pharmaceuticals market. The integrated platform will enable for stronger product development capability, broader service offerings, and deeper engagement with marquee customers across geographies. Together, the merged entity can tap into high-growth segments and deliver differentiated solutions to a global clientele.

## Enhancing R&D and innovation capabilities

Viyash brings a strong R&D and IP-driven culture, with over 200 scientists, 175+ patents filed, and more than 30 granted patents. It also ranks second in new filings in India among peers over the last three years. These capabilities will accelerate innovation across the portfolio, fast-track regulatory filings, and deliver a robust pipeline of high-quality, high-value products.

## Strengthening manufacturing and regulatory infrastructure

The merged entity will have a global manufacturing footprint of 10 USFDA-approved plants with comprehensive development-to-commercialisation capabilities. This infrastructure enhances compliance readiness, increases capacity, and provides the scalability to support a growing global demand for both animal and human health products.

## Unlocking operational synergies and efficiency

The merger offers significant operational advantages through supply chain integration and cost rationalisation. Key synergy areas include procurement, shared services, and calibrated manufacturing deployment—collectively ensuring long-term operational stability and agility.

## Fortifying financial strength and capital efficiency

The merger will be margin-accretive from Day 1 and further reinforce the financial foundation of the combined business. With a Net Debt to LTM adjusted EBITDA of 1.0x (as of FY25), the stronger balance sheet allows for deleveraging and future growth investments, while supporting sustainable capital allocation and improved cash flow generation.

## Led by a proven leadership team

With over ten decades of combined experience, the leadership team of the merged entity brings deep industry knowledge and proven execution capability. Their shared vision and complementary expertise will be key to unlocking long-term value from this integration.

## Way forward

We have received Competition Commission of India and stock exchange approvals and expect to receive the NCLT approval in due course of time.

# Expanding horizons to broaden our impact

**Our performance in FY25 reflects the positive outcomes of this strategy. The Company delivered consistent growth and profitability across key segments, supported by strong demand in core markets. Our Formulations business delivered broad-based double-digit growth, with most markets registering strong momentum. The API business remained stable and improved profitability, continuing to benefit from the programs under Project Pragati. Overall, our margins continued to improve across all segments.**

## Dear Shareholders,

I am pleased to present the results of your Company for FY25. This year marks a significant acceleration in our performance and a step change in our growth trajectory. We have begun to realise the benefits of various strategic initiatives as we move towards building a future ready, global, animal health company.

While geopolitical tensions, trade disruptions, and uneven growth across major economies continue to pose risks, the animal health industry remains relatively resilient, offering opportunities for sustained long term growth. Valued at USD 63.0 billion in 2024, the global animal healthcare market is projected to grow at a robust CAGR of 9.0 - 10.0 % between 2025 and 2030, propelled by rising expenditure on animal health. Growth is being driven by increasing pet ownership, rising demand for animal-derived food products, and greater awareness of zoonotic diseases. Technological advancements in veterinary care, including the use of biotechnology and artificial intelligence, are transforming diagnostics and treatment.

Our performance in FY25 reflects the positive outcomes of this strategy. The Company delivered consistent growth and profitability across key segments, supported by strong demand in core markets. Our Formulations business delivered broad-based double-digit growth, with most markets registering strong momentum. The API business remained stable and improved profitability, continuing to benefit from the programs under Project Pragati. Overall, our margins improved across all segments.

Our commitment to quality and compliance was further reinforced by regulatory milestones achieved during the year. Our API facility in Vizag received a positive Establishment Inspection Report (EIR) from the USFDA, affirming our capabilities in a high-compliance, competitive market. We were also granted the Accreditation Certificate of Foreign Animal Drug Manufacturer in Japan, opening new avenues in one of the most quality-conscious markets. Additionally, our Mahad factory received WHO approval for supplying Albendazole API, thus becoming one of the few manufacturing units in the world to secure this distinction.

We are focused on strengthening our Environmental, Social, and Governance (ESG) initiatives across all areas of our operations. We are reshaping our environmental footprint through efficient resource usage, pollution control, and GHG mitigation. Our plants are increasingly adopting energy-efficient technologies and circular approaches to water management. In all our operating units we promote a culture of safety, inclusiveness, and learning. We continue to hold the highest standards of Governance built on transparency, ethical conduct, and full regulatory compliance.

A significant development during the year was the announcement of our proposed strategic merger with Viyash Life Sciences Private Limited. This marks an important step in our long-term journey to build a differentiated global pharmaceuticals platform with end-to-end capabilities.

We have begun receiving key regulatory approvals and expect to complete the transaction during the financial year FY 26, subject to securing all statutory clearances. The merger will further enhance our ability to deliver differentiated products and services across an integrated pharmaceuticals platform.

I would like to express my gratitude to our employees across all locations for their unwavering commitment to the company's transformation journey. I am also grateful to our customers, business partners, and suppliers for their continued support. I also wish to acknowledge and appreciate my colleagues on the Board of Directors who have played a crucial role through their guidance and encouragement.

My sincere thanks to all our shareholders for your trust and belief in the company. We look forward to building on this momentum and creating long-term value for all our stakeholders, as we embark on the next phase of growth.

Warm regards,

**Dr. Kamal K Sharma**

**Chairman**

Managing Director's message

# Driving momentum for a future-ready business

**The performance this year reflects more than just a rebound in numbers. It signals a transformation in the way we operate and deliver value. We have moved beyond consolidation and course correction into a phase of accelerated growth as we shape a future-ready SeQuent.**

## Dear Shareholders,

It is with great pride that I present the progress and performance, of SeQuent for financial year ended March 31, 2025. FY 2024–25 has been a defining period in our journey—marked by a return to profitable growth, substantial improvement in operational and financial metrics and laying of a strong foundation for the next phase of transformation.

The performance this year reflects more than just a rebound in numbers. It signals a transformation in the way we operate and deliver value. We have moved beyond consolidation and course correction into a phase of accelerated growth as we shape a future-ready SeQuent.

We delivered a strong financial performance, validating the strategic choices and operational improvements undertaken over the past 18 months. Revenues grew by 13.3% year-on-year to ₹15,514 million, driven by structural actions undertaken across the business. EBITDA^ rose sharply by 86.6% to ₹1,993 million, resulting in a 505-basis points expansion in EBITDA^ margin to 12.8%. Our Profit After Tax (PAT) was positive at ₹219 million, marking a significant turnaround from the reported loss in FY24.

This performance reflects a combination of superior product mix, sharper execution across all markets, portfolio optimisation, and a sustained focus on cost efficiencies.

Our R&D efforts are closely aligned with the requirements of global markets in times of rapidly evolving demand for innovative solutions, thereby focusing on the development of differentiated products that address therapeutic gaps, while keeping pace with evolving regulatory standards. Simultaneously, we continue to invest in digital tools and systems for field force management

### Formulations business

Our formulations business, which contributes the largest share to our overall business, delivered a strong 19% year-on-year growth, reaching ₹11,858 million. This strong, broad-based performance was underpinned by tailored commercial strategies across all geographies.

Europe, our largest market, sustained its growth trajectory through exports, vaccine-related partnerships and increased contribution from the Phyto-solutions range. We invested in Latin America with the introduction of nutraceuticals and strengthened R&D resources.

In Emerging Markets, we witnessed accelerated momentum, with full-year growth of 26%. This was driven by structural changes in our Mexico operations, faster execution, a sharper focus on higher-margin products, and increased export volumes from Turkey. Our operations in Turkey, complemented by the on ground presence of an experienced local team has enabled us to strengthen our competitive position in the market.

**We delivered a strong financial performance, validating the strategic choices and operational improvements undertaken over the past 18 months. This performance reflects a combination of superior product mix, sharper execution across all markets, portfolio optimisation, and a sustained focus on cost efficiencies.**

^EBITDA Adjustment for ESOP and foreign currency fluctuation

## Managing Director’s message

**In line with our long-term vision to build a globally competitive animal health platform, we initiated a landmark merger with Viyash Life Sciences in September 2024. This strategic combination marks a key milestone in our ‘SeQuent 3.0’ journey and is aimed at unlocking meaningful synergies, enhancing operational scale, and driving value creation across the pharmaceutical value chain. Together, the two businesses bring complementary strengths— SeQuent’s global market access and regulatory expertise, and Viyash’s proven capabilities in development, high-quality manufacturing, and complex generics.**

In India, we recorded 13% year-on-year growth, led by the first phase of field force expansion and select new product introductions. India remains a strategic priority, and I am delighted to share that we have completed our second phase of planned expansion for this year which will go a long way in building a sustainable local field presence.

### API business

The performance of Active Pharmaceutical Ingredient (API) business was another highlight this year. Following a challenging FY24, our execution of Project Pragati initiatives has set the business on a path of margin-led growth.

We strengthened our portfolio by filing two new Veterinary Master Files (VMFs), increased revenue contribution from our top 10 customers to 54%, and obtained WHO prequalification for Albendazole— further enhancing our unique position as a preferred partner in international markets. Our manufacturing units secured industry recognition for quality and safety practices.

### Strategic merger with Viyash Life Sciences

In line with our long-term vision to build a globally competitive animal health platform, we initiated a landmark merger with Viyash Life Sciences in September 2024. This strategic combination marks a key milestone in our ‘SeQuent 3.0’ journey and is aimed at unlocking meaningful synergies, enhancing operational scale, and driving value creation across the pharmaceutical value chain.

Together, the two businesses bring complementary strengths— SeQuent’s global market access and regulatory expertise, and Viyash’s proven capabilities in development, high-quality manufacturing, and complex generics.

### Our people

Our progress is deeply rooted in the commitment, agility, and resilience of our people. Our teams have consistently embraced change, driven execution with focus, and brought our core values to life in everything they do. Their unwavering dedication has been instrumental in enabling transformation and delivering strong outcomes. We continue to invest in building a future-ready workforce through focused leadership development programmes, capability enhancement, and fostering a culture of inclusion and diversity. As we scale, we remain firmly grounded in the belief that growth must be both inclusive and purpose-led.

## Future strategy

As we enter the next phase of growth, we would accelerate delivery of new products and further strengthen our pipeline.

Viyash's Contract Development and Manufacturing Organization (CDMO) capabilities and expertise in high-potency APIs, combined with SeQuent's strong presence in key markets would provide us with a competitive stage for future growth. I am grateful to all our stakeholders for their trust and support.

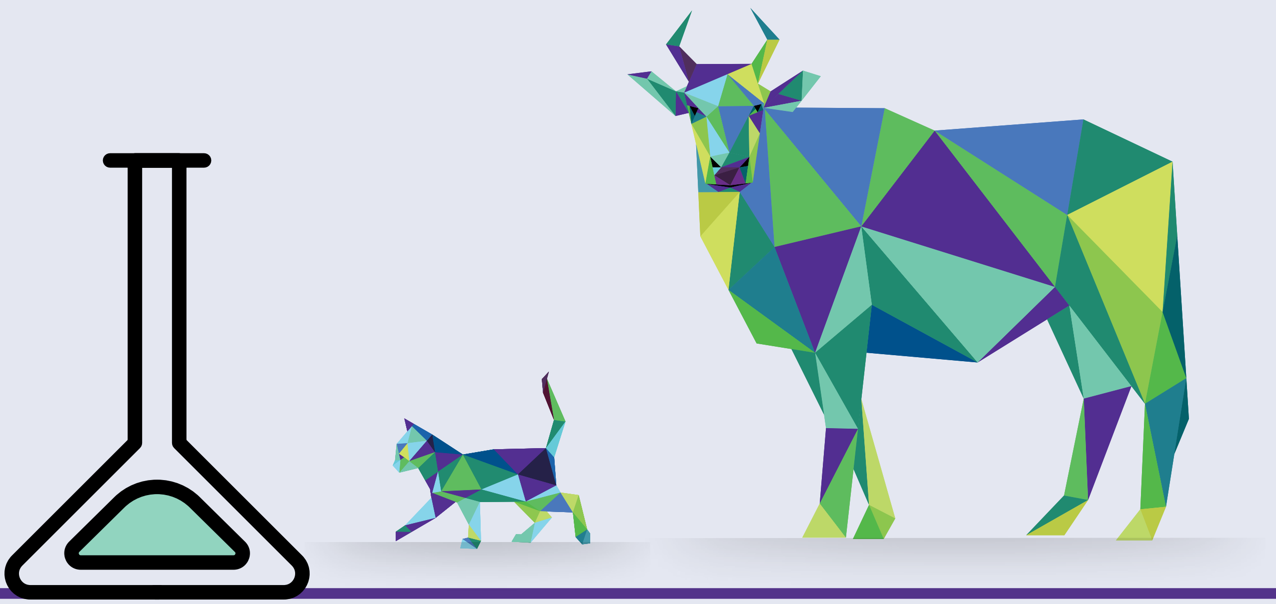
Looking forward, I am confident about the journey we have undertaken. Together, we will build a more resilient, future-ready, and globally admired organisation.

Warm regards,

**Rajaram Narayanan**

**Managing Director and CEO**

**As we enter the next phase of growth, we would accelerate delivery of new products and further strengthen our pipeline. Viyash's Contract Development and Manufacturing Organization (CDMO) capabilities and expertise in high-potency APIs, combined with SeQuent's strong presence in key markets would provide us with a competitive stage for future growth.**



Chief Financial Officer's message

# Delivering sustainable growth through strategic excellence

**Our disciplined execution and agile resource allocation have been central to maintaining financial strength. By fostering cross-functional collaboration, we have been able to anticipate challenges and convert uncertainties into avenues for value creation. This discipline, paired with a forward-thinking perspective, has resulted in measurable improvements across key financial metrics and enhancing the scalability of our business model.**

## Dear Shareholders,

In a year defined by both challenges and opportunities, our steadfast focus on driving sustainable growth and prudent financial stewardship has yielded results that reflect not only resilience, but also the ambition with which we pursue our long-term vision. The dedication of our teams, coupled with a commitment to operational excellence, has enabled us to navigate dynamic market conditions and deliver consistent performance.

Looking ahead, our strategic roadmap is underpinned by a culture of continuous improvement and adaptability. We have invested in building strong foundations, both operationally and financially, that empower us to respond swiftly to emerging trends and evolving customer needs. Above all, we remain committed to harnessing opportunities that align with our ethical values and long-term strategic objectives.

### Robust financial performance

Our disciplined execution and agile resource allocation have been central to maintaining financial strength. By fostering cross-functional collaboration, we have been able to anticipate challenges and convert uncertainties into avenues for value creation. This discipline, paired with a forward-thinking perspective, has resulted in measurable improvements across key financial metrics and enhancing the scalability of our business model.

### Key performance highlights for FY25

In FY25, the business delivered a robust performance with total revenue reaching ₹15,514 million, reflecting a 13.3% year-on-year growth. Gross margins expanded by 320 basis points to 47.7%, supported by operational

> **Our Company achieved a significant turnaround in profitability, reporting a PAT of ₹219 million compared to a loss of ₹359 million in the previous year.**

efficiencies and an improved product mix. EBITDA^ stood at ₹1,993 million, marking an 86.6% increase, with margins improving from 7.8% to 12.8%. We also achieved a significant turnaround in profitability, reporting a PAT of ₹219 million compared to a loss of ₹359 million in the previous year.

### Operational and financial excellence initiatives

Our improved margins were accompanied by greater organisational agility and heightened responsiveness to market dynamics. The expansion of our geographic presence was driven by an empowered field force, which played a pivotal role in deepening relationships with clients and stakeholders across varied markets.

Financial prudence remained part of the core theme, focusing on margins improvement initiatives, rigorous cost controls and efficient capital usage, continuing to guide our decision-making

### Strategic merger update

The merger with Viyash Life Sciences Private Limited and its subsidiaries is progressing as planned. With Competition Commission of India (CCI) and Stock Exchange (BSE & NSE) approvals in place, the scheme has been submitted to the National Company Law Tribunal (NCLT) for final approval. Post merger the integration is expected to accelerate our go-to-market capabilities, supported by unified teams and shared best practices. We remain firm in our commitment to transparent communication throughout this process, engaging proactively with all stakeholders to ensure clarity and continuity. As we move forward, our focus will be on preserving our organisational culture, harnessing collective strengths, and delivering greater value to our customers and shareholders.

**₹15,514 Mn**
Total revenue
**13.3%***

**47.7%**
Gross margin
**320 bps***

**₹1,993 Mn**
EBITDA^
**86.6%***

*y-o-y growth
^EBITDA Adjustment for ESOP and foreign currency fluctuation

### Future outlook

Looking ahead, we remain optimistic about our growth trajectory. We anticipate that the successful integration of Viyash Life Sciences will enable us to leverage new market opportunities and enhance value creation for all stakeholders.

I would like to extend my sincere gratitude to our dedicated employees, partners and stakeholders for their unwavering support and trust. Your confidence in our vision is our greatest asset as we embark on the next exciting phase of our growth journey.

Thank you for your trust and support.

Warm regards,

**Saurav Bhala**
**Group Chief Financial Officer**

Key performance indicators

# Accelerated Growth Trajectory

**Revenue from Operations**

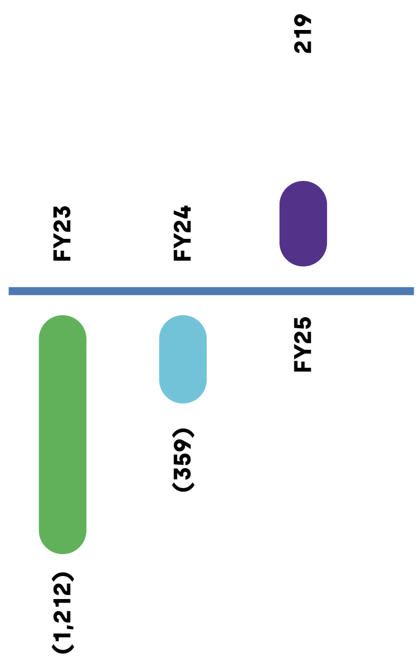
(₹ in Mn)


**EBITDA^**

(₹ in Mn)


**Profit/(Loss) After Tax**

(₹ in Mn)




**Gross Profit Margin**

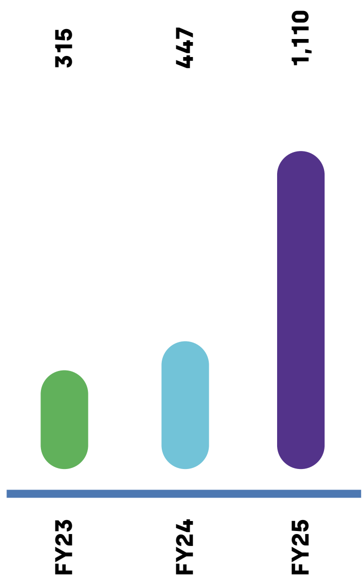
(%)


**EBITDA^ Margin**

(%)


**Cashflow from Operations**

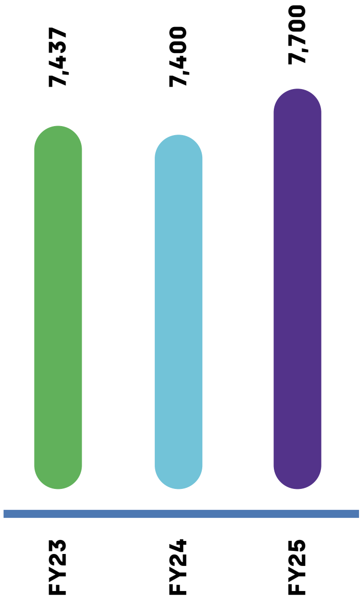
(₹ in Mn)




^EBITDA Adjustment for ESOP and foreign currency fluctuation

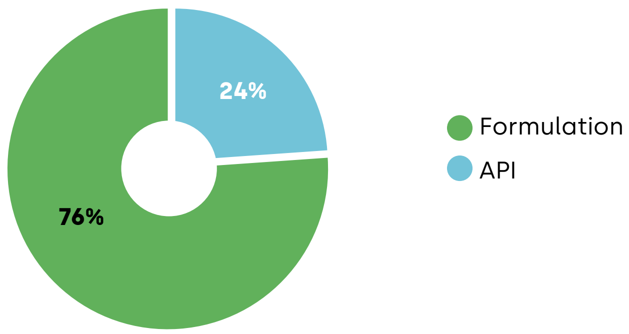
## Gross Block + CWIP

(₹ in Mn)




## Revenue by Business Segment

(%)




## Revenue by Markets – Formulations

(%)


## Net Debt to Equity

(Times)


## Net Debt to EBITDA^

(Times)


^EBITDA Adjustment for ESOP and foreign currency fluctuation

# Board of Directors

**Dr. Kamal K Sharma**
Chairman & Independent Director

**Mr. Milind Sarwate**
Independent Director

**Ms. Revati Kasture**
Independent Director

**Mr. Neeraj Bharadwaj**
Non-Executive Director

**Dr. Hari Babu Bodepudi**
Non-Executive Director

**Dr. Fabian Kausche**
Non-Executive Director

**Mr. Gregory Andrews**
Non-Executive Director

**Mr. Rajaram Narayanan**
Managing Director

**Mr. Vedprakash Ragate**
Executive Director

# Leadership Team

**Mr. Rajaram Narayanan**
Managing Director and Chief Executive Officer

**Mr. Vedprakash Ragate**
Executive Director

**Mr. Saurav Bhala**
Group Chief Financial Officer

**Mr. Prasad Lad**
Human Resources

**Mr. Ashish Kakabalia**
Business Development and R&D

**Mr. Alexis Goux**
Global Formulations

**Mr. Ramon Vila**
Europe Operations

**Mr. Murat Mentes**
Turkey Operations

**Mr. Yawar Abbas**
Emerging markets

**Mr. Alan Kelly**
United States Operations

**Mr. Claudinei Castro Vieira**
Latin America Operations

**Dr. Pankaj Lohan**
India Formulations Head

# Management Discussion & Analysis

## Macro-Economic Overview

In 2024, the global economy grew at a modest rate of 3.3%, reflecting a phase of relative stability, although growth was restrained. As we progress through 2025, the global environment is seeing a substantial transformation, prompted by nations realigning their policy priorities in reaction to escalating geopolitical tensions and increasing economic difficulties.

The United States has proposed implementing a series of additional tariff measures, eliciting immediate and vigorous responses from significant trading partners. Consequently, effective tariff rates could escalate, which could have a severe and detrimental impact on global GDP.

The issue has been exacerbated by the rapid and erratic nature of these policy shifts, which have markedly intensified economic uncertainty and rendered the short-term outlook volatile.

Considering this uncertainty, worldwide headline inflation is projected to decrease at a slower rate than previously planned. The projection indicates a decline to 4.3% in 2025 and thereafter to 3.6% in 2026. The revision indicates increased inflation projections for advanced economies, somewhat counterbalanced by slight downward revisions in emerging markets and developing nations.

## GDP growth projections

(in %)

| | 2024 | 2025 | 2026 |
|---|---|---|---|
| Global Economy | 3.3 | 2.8 | 3.0 |
| Advanced Economies | 1.8 | 1.4 | 1.5 |
| Emerging Markets and Developing Economies | 4.3 | 3.7 | 3.9 |

*(Source: World Economic Outlook, April 2025)*

Despite the ongoing challenges facing the global economy, this moment offers a unique opportunity to build resilience and initiate transformational actions. Several economies under strain have shown remarkable adaptability, underscoring that recovery is attainable through proactive reforms and coordinated policy efforts.

## Animal Healthcare: A sector of expanding horizons and evolving innovation

The animal healthcare sector is a dynamic and rapidly evolving industry, encompassing pharmaceuticals, veterinary services, and medical devices aimed at safeguarding the health of both companion and production animals. Valued at USD 63.0 billion in 2024, the global animal healthcare market is projected to grow at a robust CAGR of 9.0 - 10.0 % between 2025 and 2030, propelled by rising animal health expenditures, increasing humanization of pets, evolving regulatory frameworks, and heightened awareness around zoonotic diseases.

Animal health monitoring has become critical not just for improving animal welfare but also for ensuring secure food supplies, preventing disease outbreaks, and maintaining price stability. The sector's resilience has been strengthened through successful management of diseases like avian flu and continuous vaccine innovations. Major mergers and acquisitions, especially in veterinary division consolidated the industry, unlocking scale benefits and new avenues for innovation. In developed economies, the expanding penetration of pet insurance provides vital financial support for research and advanced treatments.

Technological advancements are reshaping the landscape, with mobile health platforms, smart wearables, vaccine banks, and predictive analytics transforming disease management, enhancing traceability, and boosting productivity. Digital technologies are increasingly integrated into veterinary care, offering greater precision, sustainability, and prevention capabilities across livestock and companion animal segments.

Despite the sector’s strong momentum, challenges still persist. Stringent regulatory restrictions on antibiotic usage, rising costs of animal testing, and low awareness levels in emerging markets continue to pose hurdles. Vaccine development remains a critical growth lever to address major livestock diseases, although gaps in vaccine availability and stringent regulatory pathways continue to slow progress.

The market's dynamics are further shaped by rising demand for animal-derived products, the growing trend of pet adoption, and the increasing focus on animal welfare. Government initiatives and partnerships with animal welfare organizations play a pivotal role in driving sustainable growth, while efficient information management systems and mobile technologies for pet owners are enhancing service accessibility and user engagement.

In a highly competitive and fast-evolving ecosystem, the future of animal healthcare will be defined by innovation, digitalization, cross-sector collaboration, and an enduring commitment to animal welfare and food security worldwide.

Strategic initiatives by leading companies and the surge in sales of pharmaceuticals and healthcare products are acting as major catalysts, reinforcing the sector’s positive outlook for the future.

## Production Animals

With rising global demand for meat, dairy, and animal-based food products, ensuring the health and wellbeing of farm animals has become increasingly vital. Production animal healthcare services play a key role in proactively identifying and managing diseases, thereby minimizing instances of illness, injury, and mortality among livestock. This growing demand has also contributed to the steady expansion of livestock populations across the world, reinforcing the positive momentum in the animal products market.

The global livestock healthcare market was valued at approximately $27.9 billion in 2024, growing at a CAGR of 10.6% during the forecast period.

The sector is witnessing strong growth, fueled by greater consumer focus on health and wellness, advancements in precision farming and smart agriculture, tighter regulatory standards, rapid urbanization, and an urgent push towards climate-resilient practices. Spanning live animals, meat, milk, eggs, skin and hide, wool, and honey, the market is evolving to cater to both organic and conventional categories.

To succeed in this dynamic environment, companies must continue innovating and adapting to changing consumer preferences and regulatory frameworks.

## Companion Animals

The global companion animal health market has reached approximately $20.5 billion by 2025, with expectations to grow at 10.5% CAGR till 2032. This strong growth trajectory is supported by several factors, including the increasing adoption of pets, greater awareness about pet health, and a surge in spending on preventive care, diagnostics, and wellness products. Technological advancements such as AI-powered diagnostic tools, wearable health monitoring devices, and telehealth platforms are transforming veterinary care by enabling early disease detection, real-time health tracking, and personalized treatment plans. Rising incidences of chronic conditions like obesity, diabetes, and cancer among pets are further fuelling the demand for specialized treatments and premium healthcare services.

The presence of prominent market players, advanced healthcare infrastructure, high healthcare expenditure, and a strong propensity to adopt pets, particularly in developed markets, are driving the sector's rapid expansion. Developed markets of North America and Europe continue to lead the global companion animal health market, supported by a large pet population and a well-established veterinary ecosystem. Meanwhile, emerging economies are witnessing significant improvements in veterinary infrastructure and increasing investments in pet healthcare. Innovations such as stem cell therapies, precision medicine, and personalized nutrition solutions are opening new frontiers, while hospital pharmacies are playing an increasingly important role in delivering specialized veterinary care. However, financial barriers and the under-penetration of pet insurance in certain regions remain challenges to the widespread adoption of pharmaceutical treatments.

## About Sequent Scientific Limited

Sequent Scientific Limited ("SeQuent" or "the Company") is India's leading animal health company, with a strong global footprint spanning over 100 countries across five continents. The Company operates seven state-of-the-art manufacturing facilities located in India, Spain, Brazil, and Turkey, all of which have been accredited by leading global regulatory authorities, including the USFDA, EUGMP and WHO, among others. SeQuent offers an extensive portfolio of animal health solutions, encompassing Finished Dosage Formulations (FDFs), Active Pharmaceutical Ingredients (APIs), and a range of analytical services for the pharmaceutical and life sciences industries.

During FY25, Sequent Scientific Limited and Viyash Lifesciences Private Limited have announced a strategic merger aimed at creating a global player with fully integrated capabilities across animal health and APIs. This transformational move will combine SeQuent's strong global presence and expertise in animal health with Viyash's robust manufacturing excellence and R&D capabilities, significantly enhancing the scale, innovation pipeline, and operational efficiencies of the merged entity. With operations spanning over 150 countries and 9 manufacturing facilities including 9 USFDA-approved sites the combined platform will be better positioned to expand its product offerings, diversify its revenue streams, and strengthen its ability to serve a widening global customer base. The merger is subject to customary statutory and regulatory approvals.

## Business Performance Review

**Active Pharmaceutical Ingredients (APIs)**

Key Highlights, FY25

| Particulars | FY25 Updates/ Developments | Total Products |
|---|---|---|
| US VMF Filing | 2 | 33 |
| EU CEP Approvals | 1 | 17 |

## Key Highlights

**Formulations**

## Focus Markets

The Company is dedicated to supporting global food security amid a growing world population, with a focused ambition to emerge as a leading value provider in the animal healthcare sector. With a strong presence in countries with substantial animal populations, it recognizes the vast opportunities these markets offer.

## Europe

The European Union is a major animal health market, valued at USD 16.5 billion in 2024. Market dynamics are shaped by proactive regulatory frameworks and a strong pet ownership culture, with around 90 million households (46% of the EU population) owning pets, including 110 million cats and 90 million dogs. The companion animal segment in Europe was valued at USD 9.0 billion in 2024 with a projected CAGR of 8.4%, while the livestock segment, valued at USD 7.5 billion, is expected to grow at 4.5%. Strategic initiatives around animal welfare, disease control, and sustainable livestock practices are key drivers.

- Entry into vaccine distribution business: As part of our efforts to build-up this segment, we are pleased to share that we started distributing vaccines for a leading European company in Benelux and the team is actively evaluating other similar opportunities.
- Our Spanish plant received the Turkish GMP approval, and we believe this will go a long way to develop a long-term sustainable business by cross-leveraging portfolio across countries.
- The phased shutdown of our Bremer Pharma manufacturing facility in Warburg in 2023 required us to transfer major brands from Bremer-Pharma to our facility in Turkey.

## India

Within APAC, India stands out with an animal healthcare market size of USD 1.9 billion in 2024, forecasted to grow at a robust CAGR of 12.4% between 2025 and 2030. India's pet population was estimated at 40 million in 2024, with dogs comprising 90% and cats 10%. The sector is crucial to India's economy, supporting the livelihoods of around 20.5 million people and contributing approximately 16% to the income of small farm households, while sustaining two-thirds of the rural population. As one of the largest producers and consumers of milk globally, India plays a pivotal role in the regional animal health market. The Indian animal healthcare sector has made significant strides in supporting the country's expanding animal husbandry sector, with a rising focus on food security, increased awareness of zoonotic diseases, and steady improvements in veterinary infrastructure aligning the country's market trajectory with global trends.

India is a priority market for SeQuent, we plan to continue investing in the expansion of our current portfolio and exploring inorganic growth opportunities.

We boast a robust product pipeline sourced internally as well as from a set of quality CMOs. Additionally, the Company ramped-up field presence for enhanced penetration.

## Turkey

The animal health market in Turkey is experiencing steady growth, driven by increased awareness of animal welfare, rising pet ownership, and a growing demand for livestock productivity. This expansion is further supported by advancements in veterinary pharmaceuticals, diagnostics, and feed additives. These factors collectively indicate a positive outlook for animal health market in Turkey in the coming years.

## LATAM

Latin America's animal healthcare market has expanded steadily, with Brazil emerging as the dominant contributor. Growth in Brazil has been fuelled by rising exports of veterinary products, supportive government policies, and greater focus on livestock health management. Pharmaceuticals lead the Brazilian market, supported by growing poultry and swine production and an expanding pet care segment. Brazil's adherence to international standards and the strong uptake of bovine vaccines have further strengthened its position in the regional market.

- In addition to strengthening our existing operations in Brazil, we have set up an independent business in Mexico with a dedicated team.
- The Company entered the Brazilian companion animal health market a couple of years back with the acquisition of Nourrie, a domestic company operating in the segment.

## Emerging Markets

The Middle East & Africa veterinary healthcare market is witnessing strong growth, driven by rising pet ownership, greater awareness of animal health, and expanding livestock production. Increased demand for veterinary services, the emergence of advanced clinics, and supportive government initiatives are strengthening the sector. However, high service costs, limited veterinary infrastructure, and regulatory challenges continue to pose hurdles. Countries like Saudi Arabia, the UAE, and South Africa are leading the regional expansion, supported by their progressive healthcare frameworks and growing focus on animal welfare.

In emerging markets, we distribute our products across the Middle East, Africa, the Indian subcontinent, and Southeast Asia through a network of distributors. These regions are supplied from our facilities in Spain, Turkey, and India, where we are focused on streamlining and accelerating product registrations.

## Global presence and marketing

In our core markets, we engage local sales teams comprising technical veterinary experts and sales professionals. These teams are supported by a central marketing division that leverages global insights to craft impactful local strategies. Through a combination of direct sales and distributor partnerships, we have expanded our product reach to over 100 countries.

**Global manufacturing footprint**

Globally, the Company operates world-class manufacturing facilities as mentioned below:

| Business vertical | Location | Highlights |
|---|---|---|
| Animal Health API's | Vizag, India | **Approvals:** USFDA, WHO-Geneva and EU GMP<br>**Capabilities:** API facility with reactor capacity of 300+ KL with ten clean rooms |
| | Mahad, India | **Approvals:** EU GMP, COFEPRIS Mexico and WHO<br>**Capabilities:** 23 reactors having a cumulative capacity of 80 KL |
| Formulations | Spain | **Approvals:** EU GMP and Turkish GMP<br>**Capabilities:** Dedicated beta-lactam powder block and nutritional |
| | Turkey | **Approvals:** EU GMP and Turkish GMP<br>**Capabilities:** Beta-lactam, Non Beta-lactam, hormones |
| | Brazil | **Approvals:** MAPA (Ministry of Agriculture, Livestock and Supply)<br>**Capabilities:** Powders and premixes |
| | | **Approvals:** MAPA (Ministry of Agriculture, Livestock and Supply)<br>**Capabilities**: Premixes, tablets, pastes, suspensions and solutions |
| | Ambernath, India | **Approvals:** India, Uganda, Ethiopia, and Kenya<br>**Capabilities:** Oral solutions/suspensions, powders, and premixes |

## Analytical Services

SeQuent Research Limited (SRL), the Company's wholly owned subsidiary, is a Contract Research Organisation (CRO) focusing on analytical services. The USFDA-approved analytical division is in Mangaluru. With approximately 39 scientists, 16,600 Sq. ft facility SRL has robust capabilities in instrument, wet, trace elements, genotoxic, nitrosamine, and stability analysis. The division is using a Laboratory Information Management System (LIMS). The Analytical division is engaged with numerous global clients.

## Employees

Our workforce of over 1,600 employees are key to our operations, and we provide them with opportunities and support, to achieve their career aspirations. We place a strong emphasis on their well-being. Given the critical and complex nature of our manufacturing processes, ensuring the health and safety of our employees remains a top priority.

## Employee Stock Option Plan (ESOP)

The Company currently has 2 (Two) ESOP Schemes as under:

1) SeQuent Scientific Employee Stock Option Plan 2010 and

2) SeQuent Scientific Limited Employees Stock Option Plan 2020

   The accounting for the said scheme is being done as per the fair value method determined by the Black Scholes model for option valuation. During the year, the accounting impact of the said ESOP issuance was ₹ 324 Mn.

## Governance

The Company has established governance through its committees for overseeing key policies, including Anti-Money Laundering, Anti-Bribery and Corruption (ABAC), Counter-Terrorist Financing, Whistleblower Protection, Prevention of Sexual Harassment (POSH), and Insider Trading. To strengthen compliance and awareness, regular training programs are conducted across the organization. During the year, employees participated in the following sessions:

- SeQuent Values and Whistleblower Policy
- Prevention of Sexual Harassment at the Workplace
- Awareness of Unpublished Price Sensitive Information and Structured Digital Database
- Anti-Corruption Compliance Policy
- Economic Sanctions Compliance Policy
- Anti-Money Laundering and Counter-Terrorist Financing Compliance Policy

## Prevention of Harassment and Discrimination

The Company remains committed to maintaining a workplace free from discrimination, harassment, and intimidation. A POSH Committee has been set up at each location to address complaints in a confidential and timely manner. Regular training sessions on POSH are also conducted throughout the year to reinforce awareness.

## Whistleblower Policy

The Company has instituted a Whistleblower Policy to encourage the reporting of improper or unethical behavior, violations of the Code of Conduct or applicable laws, fraud, bribery, corruption, misconduct, health, safety, and environmental issues, or misappropriation of assets. The policy safeguards whistleblowers against retaliation, wrongful termination, or discriminatory practices, ensuring prompt and effective resolution of concerns.

### Anti-Corruption Compliance Policy

The Company has adopted an Anti-Corruption Compliance Policy covering all directors, officers, and employees across its operating jurisdictions. The policy reinforces a zero-tolerance approach to bribery and unethical practices, supported by internal controls designed to prevent and detect corrupt activities.

### Anti-Money Laundering and Counter-Terrorist Financing Compliance Policy

To prevent money laundering and terrorist financing, the Company has implemented a dedicated compliance policy aligned with all relevant laws and regulations within its operating jurisdictions.

### Economic Sanctions Compliance Policy

The Company maintains strict adherence to economic sanctions regulations across its areas of operation. Through its Economic Sanctions Compliance Policy, the Company ensures compliance and communicates its expectations to all associated parties, including third-party entities and individuals acting on its behalf.

### Environment, Health and Safety (EHS)

We remain committed to fostering a safe and secure working environment by continuously strengthening our infrastructure, operational practices, and workplace culture. In line with this commitment, we have implemented a range of measures focused on safeguarding our people and operations.

Aligned with our ESG principles, we actively pursue initiatives such as waste minimization, emissions reduction, and the increased use of renewable energy to drive sustainable and responsible growth.

### Environment

Environmental sustainability is embedded at the heart of our operations. Through research, innovation, and responsible manufacturing, we strive to minimize greenhouse gas emissions, conserve water resources, protect biodiversity, and enhance soil health. By seamlessly integrating sustainable practices into every stage of our operations, we aim to drive lasting environmental impact and contribute to a healthier planet.

### Water Management

In FY25, we successfully reduced freshwater consumption by 5.23% to 1,01,441 KL, building on our ongoing efforts around sustainable water management. This achievement was driven by initiatives such as rainwater harvesting, enhanced water recycling, improved recovery of steam condensate, and greater reuse of treated effluent water.

During the year, the Mahad site reduced water consumption using recycling water after treatment for cooling towers, ETP chemical dosing, reflecting steady progress in our resource conservation efforts. Notably, our Mahad site maintained a strong performance, recycling over 95% of treated water and setting a benchmark for our other facilities.

### Waste Management

In FY25, we reduced the waste intensity from 2.25 to 2.19 MT/employee compared to previous year, through continuous process optimization and waste minimization initiatives. During the year, 375 tons of incinerable hazardous waste were repurposed for co-processing in the cement industry, helping us lower our environmental footprint and contribute to circular economy practices. These efforts also supported a meaningful reduction in our overall greenhouse gas (GHG) emissions.

### Certifications

Our Mahad unit has earned ISO 14001 and ISO 45001 certifications, underscoring our commitment to maintaining the highest environmental, health, and safety standards. In parallel, our Ambernath unit has secured WHO-GMP certification, valid until May 2026, reinforcing our focus on quality and regulatory compliance.

In FY25, the Mahad facility was awarded a Silver Medal with a score of 63 by EcoVadis, reflecting strong sustainability practices and continuous improvement in environmental, labor, ethics, and procurement standards.

To further strengthen operational resilience, we have developed and implemented new standards and guidelines across all manufacturing sites. A Risk Management Committee has been established to oversee and drive ongoing progress in risk mitigation efforts.

### Social

**People safety and culture transformation:** We place strong emphasis on developing competencies through continuous training and assessments to build a proactive safety culture. To minimize incidents arising from human error and behavior, we have partnered with DuPont Sustainable Solutions to drive cultural transformation and risk reduction initiatives.

Key highlights for FY25 include:

- Lost Time Injury Frequency Rate (LTIFR): 0
- 100% EHS training coverage for all plant employees
- Enhanced people productivity
- Improved talent management and retention

**Sustainable vendor management:** We have implemented a Sustainability Procurement Policy aimed at encouraging our suppliers and vendors to integrate social and environmental considerations into their operations. As part of this approach, we conduct regular CSR audits to assess vendors on parameters such as environmental practices, health and safety standards, and training and competency development, fostering a responsible and resilient supply chain.

## Threats, Risks and Concerns

The Company faces a range of operational risks, each carefully identified and addressed through targeted mitigation measures outlined below.

| Key Risks | Mitigation Measures |
|---|---|
| **Regulatory Risks**<br>Adverse facility inspections by regulatory bodies could restrict sales in certain geographies or to specific customers. | We have established robust systems for continuous compliance monitoring. Employees undergo regular training to stay updated on evolving regulatory requirements, ensuring a culture of proactive and sustained compliance. |
| **Environment, Health, and Safety (EHS) Risks**<br>Risks linked to operational safety and environmental compliance due to sophisticated chemical processes at manufacturing sites. | We uphold stringent environmental, health, and safety standards, with regular reviews to identify improvement areas. We continuously optimize resource usage and enhance our processes to minimize environmental impact across operations, products, and services. |
| **Currency Volatility Risks**<br>Fluctuations in foreign exchange rates may impact the fair value or future cash flows of exposures. | We actively hedge transactions conducted in foreign currencies across operational geographies, mitigating the adverse impact of exchange rate movements on financial performance. |
| **Interest Rate Risks**<br>Borrowings linked to floating interest rates may impact the Company's financial performance with rate fluctuations. | Each local entity borrows in its domestic currency, aligned with respective base rates, ensuring better management of interest rate variability in local operations. |
| **Credit Risks**<br>Exposure to financial asset risks due to fluctuating customer credit terms and counterparty risks. | We conduct regular analysis of receivables aging across geographies. Credit restrictions are applied using a standardized model, and a Delegation of Authority (DOA) matrix governs the release of credit blocks to strengthen credit discipline. |
| **Liquidity Risks**<br>Potential challenges in meeting financial obligations that require cash settlements. | We maintain a prudent approach to leverage, targeting low leverage ratios to strengthen liquidity resilience and ensure timely fulfilment of financial obligations. |
| **Information Technology and Cybersecurity Risks**<br>Reliance on IT systems exposes operations to potential failures or cyber threats. | We localize IT infrastructure monitoring, database management, cybersecurity measures, and IT compliance processes, enabling effective threat detection and risk mitigation at the site level. |
| **Market Risks**<br>Potential losses driven by price fluctuations, geopolitical events, currency volatility, pandemics, or other macro disruptions. | The Board assesses investments with a long-term strategic lens, while geopolitical risks and market developments are closely monitored to ensure responsive and resilient decision-making. |

## Financial Review

### Consolidated financial performance

(₹ in million)

| Ratios | FY25 | FY24 |
|---|---|---|
| Revenue from Operations | 15,514 | 13,697 |
| EBITDA^ | 1,993 | 1,068 |
| % | 12.8% | 7.8% |
| Earnings Before Tax | 443 | (546) |
| Earnings After Tax (Post Minority) | 219 | (359) |

^EBITDA Adjustment for ESOP and foreign currency fluctuation

## Revenue performance by geography

| Revenue Distribution | FY25 | FY24 | YoY Gr% |
|---|---|---|---|
| Formulations | 11,858 | 9,997 | 19% |
| Europe | 5,565 | 4,868 | 14% |
| Emerging Markets | 5,138 | 4,091 | 26% |
| India | 1,155 | 1,038 | 11% |
| APIs | 3,378 | 3,260 | 4% |
| Other Sales | 155 | 133 | 17% |
| **Global Sales** | **15,392** | **13,390** | **15%** |
| One Offs # | (74) | | |
| Adjustment* - Ind AS 29* | 196 | 307 | |
| **Reported Sales** | **15,514** | **13,697** | **13%** |

*Adjustment on account of hyperinflation in Turkey as per Ind AS 29

# Provision for customer claim on shipments in prior years

## Key Ratios

| Ratios | FY25 | FY24 |
|---|---|---|
| Debtors Turnover Ratio (Days) | 82 | 85 |
| Inventory Turnover Ratio (Days) | 87 | 88 |
| Interest Coverage Ratio | 1.81 | 0.23 |
| Current Ratio | 1.73 | 1.29 |
| Debt Equity Ratio | 0.54 | 0.58 |
| Operating Margin Ratio | 10% | 5% |
| Net Profit Margin | 2% | (2%) |
| Net Debt to EBITDA^ | 2.26 | 4.48 |
| Cash Flow from Operations - in ₹ Mn | 1,110 | 447 |
| Return on net worth (RONW) | 3% | (5%) |

^EBITDA Adjustment for ESOP and foreign currency fluctuation

## Internal Control

The Company has adequate internal controls and systems in place which provide reasonable assurance about the integrity and reliability of financial statements.

Additionally, Grant Thornton, a leading global audit firm performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advises on industry-wide best practices. The Audit Committee consisting of Independent Directors review important issues raised by the Internal and Statutory Auditors, thereby ensuring that the risk is mitigated appropriately with necessary rectification measures on a periodic basis.

# Business Responsibility & Sustainability Report

We are pleased to present the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year 2024–25, in compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This report reflects our commitment to transparency and sustainability, highlighting the initiatives and progress made across environmental, social, and governance (ESG) dimensions. While fulfilling statutory disclosure requirements, the Company endeavours to go beyond compliance by aligning its sustainability journey with globally recognized frameworks.

The BRSR outlines our efforts to create long-term value and a positive impact on the environment and society. It offers a comprehensive view of our approach, actions, and outcomes in promoting responsible business practices. Wherever applicable, data from previous years has been rationalised to ensure consistency and comparability.

In this report, the words – 'The Company', 'SeQuent', 'We', 'Our' are used interchangeably to denote Sequent Scientific Ltd.

# Awards and accolades


### USP Certificate of Appreciation for Advancing Veterinary Standards

The Company was conferred the Gold Award for Industrial Safety Leadership (Category-1) at the CII Andhra Pradesh Industrial Safety Excellence Awards 2024, presented by the Confederation of Indian Industry (CII), Andhra Pradesh.

This prestigious accolade recognizes the Company's consistent efforts and leadership in maintaining exemplary standards of workplace safety. The award highlights the effectiveness of its safety management systems, proactive risk mitigation practices, and a strong culture of health and safety embedded across all operational levels.

Key factors contributing to this recognition included the implementation of comprehensive safety protocols, regular training and awareness initiatives, systematic risk assessments, and active employee participation in safety programs.

### Global Recognition for Contribution to Public Health Standards

Alivira Animal Health Limited received a Certificate of Appreciation by the United States Pharmacopeial Convention (USP) under its Donor Recognition Program, in acknowledgment of the Company's significant contribution to USP's standards-setting process. This recognition highlights Alivira's commitment to enhancing global animal health by supporting the development of public standards that ensure the quality, safety, and efficacy of veterinary medicines. The Company's collaboration with USP reflects its ongoing dedication to advancing healthcare standards and contributing to the safety of animal medicines worldwide.


### Recognition for Excellence in Quality Culture Transformation

Sequent Scientific Limited was honoured with the "Emerging Company in Quality Culture Transformation" award at the Pharma Quality Excellence Awards 2024, recognizing the Company's commitment to fostering a strong quality culture within its operations. This prestigious award serves as a testament to SeQuent Scientific's dedication to upholding the highest standards of quality, safety, and efficacy in the pharmaceutical industry. The recognition highlights the Company's ongoing efforts to innovate and maintain excellence in its processes, ensuring the delivery of top-quality pharmaceutical products.

**SECTION A:**

## GENERAL DISCLOSURES

### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity** – L199999TS1985PLC196357
2. **Name of the Listed Entity** – Sequent Scientific Limited
3. **Year of incorporation** – 1985
4. **Registered office address** – 3rd Floor, Srivallis Corporate, Plot No. 290, SYN 33 34 PTO 39, Guttala Begumpet, Jubilee Hills, Hyderabad, Shaikpet, Telangana, 500033
5. **Corporate address** – 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, India
6. **E-mail** – investorrelations@sequent.in
7. **Telephone** – +919391139986/ +91 22 41114777
8. **Website** – http://www.sequent.in/
9. **Financial year for which reporting is being done** – 2024-25
10. **Name of the Stock Exchange(s) where shares are listed :**

| Name of the Exchange | Stock Code |
|---|---|
| BSE Ltd. | 512529 |
| National Stock Exchange of India Ltd. | SEQUENT |

11. **Paid-up Capital** – ₹ 50,06,03,990
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report –**
    Ms. Yoshita Vora,

    Company Secretary

    Tel.: +91 22 41114777

    Email: investorrelations@sequent.in
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). –**
    The disclosures under this report are made on a consolidated basis for the Indian Operations of Sequent Scientific Ltd. and Indian Operations of Alivira Animal Health Ltd. & Sequent Research Ltd. – which are wholly owned subsidiaries of Sequent Scientific Limited Ltd. – wherever applicable, unless specifically mentioned to be on a standalone basis.
14. **Name of assurance or assessment provider** – Not Applicable for the reporting period as per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.
15. **Type of assurance or assessment obtained** – Not Applicable for the reporting period as per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

### II. Products/services

16. **Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Pharmaceuticals | Manufacturer of high quality Active Pharmaceutical Ingredients (API), Formulations and Research & Testing Activity | 100.00 |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/ Service | NIC Code | % of Turnover contributed |
|---|---|---|---|
| 1. | Albendazole | 21005 | 30% |
| 2. | Triclabendazole | 21005 | 11% |
| 3. | Clorsulon | 21005 | 4% |
| 4. | Others | 21005 | 55% |

## III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 3 | 2 | 5 |
| International^ | 4 | 9 | 13 |

^The International operations are through foreign subsidiaries.

**19. Markets served by the entity:**

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States & UTs) | 28 states & 8 Union Territories |
| International (No. of Countries) | 90 |

Note: The Company has a broad international presence across Europe and emerging markets reflecting its strong global reach and commitment to cross-border growth.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Total contribution of exports is 50.60% of the total turnover of the Company.

c. A brief on types of customers:

The Company provides products for both B2B and B2C markets. Their API services cater to a diverse range of global animal health companies, including both generic manufacturers and proprietary brands. At the same time, the Company's' Formulations division directly serves the consumer market.

## IV. Employees

**20. Details as at the end of Financial Year:**

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 889 | 805 | 90.55 | 84 | 9.45 |
| 2. | Other than Permanent (E) | 0 | 0 | 0.00 | 0 | 0.00 |
| 3. | **Total employees (D + E)** | **889** | **805** | **90.55** | **84** | **9.45** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 355 | 355 | 100.00 | 0 | 0.00 |
| 5. | Other than Permanent (G) | 188 | 184 | 97.87 | 4 | 2.13 |
| 6. | **Total workers (F + G)** | **543** | **539** | **99.26** | **4** | **0.74** |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100.00 | 0 | 0.00 |
| 2. | Other than Permanent (E) | 0 | 0 | 0.00 | 0 | 0.00 |
| 3. | **Total differently abled employees (D + E)*** | **1** | **1** | **100.00** | **0** | **0.00** |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0.00 | 0 | 0.00 |
| 5. | Other than permanent (G) | 0 | 0 | 0.00 | 0 | 0.00 |
| 6. | **Total differently abled workers (F + G)** | **0** | **0** | **0.00** | **0** | **0.00** |

*Note: The Company maintains an inclusive workplace. During the reporting year, the Company employed one differently abled individual in the HR department at its corporate office.

## 21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 9 | 1 | 11.11 |
| Key Management Personnel#^ | 2 | 1 | 50.00 |

#KMP includes Chief Financial Officer (CFO) & Company Secretary (CS) of Sequent Scientific Ltd.
^Mr. Phillip Trott was the CS till 16th December, 2024, who was succeeded by Ms. Yoshita Vora w.e.f 17th December, 2024.

Note: The Board and KMP represent the BOD and KMP of Sequent Scientific Ltd. only

## 22. Turnover rate for permanent employees and workers (in percent)

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 24.90 | 17.50 | 24.20 | 15.71 | 29.49 | 17.04 | 36.20 | 40.50 | 36.60 |
| Permanent Workers | 16.00 | 0.00 | 16.00 | 73.91 | 0.00 | 73.83 | 40.00 | 0.00 | 40.00 |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Alivira Animal Health Limited (India) | Subsidiary | 100.00 | Yes |
| 2. | SeQuent Research Limited (India) | Subsidiary | 100.00 | Yes |
| 3. | Alivira Animal Health Limited, Ireland | Subsidiary | 100.00 | No |
| 4. | Provet Veteriner Ürünleri San. Ve Tic. A. Ş. | Subsidiary | 100.00 | No |
| 5. | Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş | Subsidiary | 100.00 | No |
| 6. | Alivira SA* | Subsidiary | 100.00 | No |
| 7. | Alivira BV* | Subsidiary | 100.00 | No |
| 8. | N-Vet AB | Subsidiary | 100.00 | No |
| 9. | Alviria Saude Animal Brasil Participacoes Ltda | Subsidiary | 100.00 | No |
| 10. | Alivira Saude Animal Ltda. (formerly known as Evance Saude Animal Ltda. and Interchange Veterinária Indústria E Comércio Ltda.) | Subsidiary | 100.00 | No |
| 11. | Expeden Distribuidora De Produtos Veterinarios Ltda | Subsidiary | 100.00 | No |

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 12. | Vila Viña Participacions S.L. | Subsidiary | 60.00 | No |
| 13. | Laboratorios Karizoo, S.A. | Subsidiary | 60.00 | No |
| 14. | Laboratorios Karizoo, S.A. DE C.V. (Mexico) | Subsidiary | 60.00 | No |
| 15. | Phytotherapic Solutions S.L | Subsidiary | 60.00 | No |
| 16. | Bremer Pharma GmbH | Subsidiary | 100.00 | No |
| 17. | Alivira Italia S.R.L | Subsidiary | 100.00 | No |
| 18. | Alivira Animal Health USA LLC | Subsidiary | 100.00 | No |
| 19. | Alivira Animal Health UK Ltd. | Subsidiary | 100.00 | No |

Note: The names of two subsidiaries was changed from Fendigo SA to Alivira SA on 1st May, 2025, and Fendigo BV to Alivira BV on 4th March, 2025.

## VI. CSR Details

**24.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: No

(ii) Turnover (in ₹) – N/A

(iii) Net worth (in ₹) – N/A

## VII. Transparency and Disclosures Compliances

**25. Complaints/Grievance on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|
| | (If Yes, then provide web-link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | The respective plant heads address the local community grievances. | NIL | NIL | NA | NIL | NIL | NA |
| Investors (other than shareholders) | Yes, Statutory mechanism specified under Companies Act & SEBI is followed & investors@sequent.in is the email ID to raise grievances | NIL | NIL | NA | NIL | NIL | NA |
| Shareholders | Yes, Statutory mechanism specified under Companies Act & SEBI is followed & investors@sequent.in is the email ID to raise grievances | NIL | NIL | NA | NIL | NIL | NA |
| Employees and workers | Yes (Available on Intranet), HR head of the Company is the grievance redressal authority & hr@sequent.in is the email ID to raise grievances | NIL | NIL | NA | NIL | NIL | NA |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy) | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Customers | Complaints forwarded by field force are dealt with by the respective Zonal head and escalated to the Marketing head as the case may be | NIL | NIL | NA | NIL | NIL | NA |
| Value Chain Partners | The Company's Supply Chain team is the designated forum for all value chain partners to redress their grievances | NIL | NIL | NA | NIL | NIL | NA |

**26. Overview of the entity's material responsible business conduct issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications[1]**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Access to Medicines | Opportunity | Expanding access to affordable veterinary medicines in underserved markets presents a significant opportunity for Sequent Scientific, aligning with global public health objectives such as zoonosis control and improving animal health. By addressing these unmet needs, SeQuent can not only contribute to public health but also enhance its reputation as a socially responsible brand. This commitment to affordable healthcare strengthens relationships with local communities, regulators, and stakeholders, while broadening the Company's market reach. Additionally, by capturing market share in these emerging regions, SeQuent can establish a competitive edge and foster long-term growth, positioning itself as a leader in both social impact and business success. | N/A | Positive |

[1]Material issues identified are referred from the Sustainability Accounting Standards Board (SASB) 2023-24 version. SASB Standards are maintained and enhanced by the International Sustainability Standards Board (ISSB). This follows the SASB's merger with the International Integrated Reporting Council (IIRC) into the Value Reporting Foundation (VRF) and subsequent consolidation into the IFRS® Foundation in 2022. The latest standards can be accessed at https://sasb.ifrs.org/ on 14th April, 2025 at 11:10 IST

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 2 | Affordability & Pricing | Risk | SeQuent Scientific operates in a highly regulated global environment where governments and animal welfare organizations are increasingly pushing for affordable veterinary healthcare. This growing pressure has led to the introduction of price caps, stringent reimbursement policies, and cost-control measures in several key markets. Such regulatory interventions can limit the Company's pricing flexibility, reduce profit margins, and affect the overall commercial viability of certain products. Additionally, navigating diverse pricing regulations across regions adds to operational complexity and compliance risk. As a result, pricing controls and reimbursement restrictions pose a material risk to SeQuent's revenue growth and long-term financial sustainability, particularly in cost-sensitive or highly regulated markets. | Continuous research and development, coupled with innovation in product design, manufacturing processes, and input material management, enables SeQuent to mitigate the impact of pricing controls and reimbursement restrictions. By focusing on value-driven innovation and cost efficiency, the Company can maintain competitiveness in price-sensitive markets while complying with regulatory mandates. These efforts contribute to sustaining profitability, ensuring broader market access, and enhancing the long-term viability and sustainability of SeQuent's commercial operations across diverse geographies. | Negative *There was no negative financial impact for the reporting year 2024-25 |
| 3 | Drug Safety | Risk | Post-market surveillance is becoming increasingly important in the veterinary pharmaceutical industry, with regulators placing greater emphasis on the monitoring of product safety and efficacy after launch. For SeQuent Scientific, adverse drug reactions or product recalls—particularly those affecting livestock—can lead to serious consequences such as trade restrictions, reputational damage, and even class-action lawsuits. Such incidents may not only disrupt supply chains but also erode trust among customers, veterinarians, and regulatory bodies. Given the scale and sensitivity of livestock markets, any lapse in post-market monitoring can result in significant financial and legal liabilities. Therefore, robust post-market surveillance is essential, and its associated risks are material to SeQuent's operational integrity and market credibility. | SeQuent mitigates post-market surveillance risks by maintaining a comprehensive system that actively monitors product safety and efficacy after launch. This includes, regular product performance reviews, and timely reporting to regulatory authorities as per jurisdictional requirements. The Company also engages with veterinarians and distributors to ensure efficient feedback loops and early detection of safety concerns. By continuously strengthening its post-marketing monitoring protocols SeQuent minimizes the risk of recalls, regulatory sanctions, and reputational damage, thereby reinforcing sustainability of its operations in sensitive markets. | Negative *There was no negative financial impact for the reporting year 2024-25 |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 4 | Counterfeit Drugs | Risk | The veterinary pharmaceutical sector, particularly in developing countries, faces a growing threat from counterfeit drugs. SeQuent Scientific, as a recognized player in this space, is vulnerable to such activities, especially in regions with weak regulatory enforcement in animal health. The circulation of counterfeit products not only undermines the efficacy and safety of genuine medicines but also poses serious risks to animal health and public safety. This can lead to brand dilution, erosion of customer trust, and potential legal repercussions for the Company. Moreover, distinguishing genuine products from fakes adds to operational costs and supply chain complexities. As such, the threat of counterfeiting represents a material risk to SeQuent's brand value, legal standing, and market integrity. | SeQuent mitigates the risk of counterfeiting through the implementation of robust product authentication measures, such as secure packaging, serialization, and traceability systems, which help verify product origin and integrity across the supply chain. The Company also invests in awareness campaigns to educate distributors, veterinarians, and customers on identifying genuine products. Strategic collaborations with regulatory authorities and enforcement agencies, particularly in high-risk regions, further support surveillance and prompt action against counterfeit activities. These proactive steps not only protect animal health and public safety but also help preserve SeQuent's brand value, regulatory compliance, and customer trust, thereby strengthening the overall resilience and integrity of its operations. | Negative *There was no negative financial impact for the reporting year 2024-25 |
| 5 | Employee Recruitment, Development & Retention | Opportunity | The growing demand for a specialized talent pool, including veterinarians, and regulatory professionals, presents a significant opportunity for the Company. By attracting and retaining top talent in these critical areas, SeQuent can strengthen its innovation pipeline and deliver advanced veterinary solutions. A skilled workforce is key to maintaining operational excellence, improving regulatory compliance, and driving continuous improvement in product safety and efficacy. Moreover, investing in talent development enhances SeQuent's competitive advantage in supporting its long-term growth and success. | N/A | Positive |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 6 | Supply Chain Management | Risk | SeQuent Scientific operates on a global scale, sourcing Active Pharmaceutical Ingredients (APIs) and other inputs from multiple jurisdictions. Ensuring compliance, consistent quality assurance, and traceability across suppliers is critical to maintaining product integrity and meeting regulatory standards. Any lapse in supply chain oversight can lead to regulatory action, production delays, or product recalls. Moreover, such disruptions can harm customer trust and affect the Company's operational efficiency. | SeQuent addresses supply chain risks through the enforcement of supplier qualification processes, regular audits for compliance, and the implementation of quality assurance protocols across all procurement stages. By fostering close partnerships with strategic suppliers and promoting transparency and traceability, the Company ensures consistent input quality and regulatory alignment. Additionally, multi-sourcing strategies, and early risk identification mechanisms help to minimize disruptions. These efforts collectively strengthen supply chain resilience, ensure regulatory compliance, and contribute to the operational sustainability and reliability of SeQuent's global manufacturing and distribution operations. | Negative *There was no negative financial impact for the reporting year 2024-25 |
| 7 | Business Ethics | Risk | Operating across multiple countries exposes SeQuent Scientific to a complex landscape of anti-corruption and compliance regulations, which can vary significantly by jurisdiction. The risk of unethical practices in procurement, sales, or interactions with third parties—such as bribery or improper conduct—poses a serious threat to the Company's legal standing and reputation. Non-compliance with local or international laws can result in substantial legal penalties, fines, and potential criminal charges. Moreover, such incidents can severely damage relationships with regulators, customers, and partners, undermining trust in the brand. Therefore, maintaining strict ethical standards and compliance across all operations is critical to mitigating these material risks. | SeQuent mitigates this risk through the continuous strengthening of its compliance framework, supported by regular employee training, clear codes of conduct, and the implementation of internal controls and audit mechanisms. By promoting a strong culture of ethics and accountability across all levels of the organization, the Company ensures adherence to diverse anti-corruption and compliance regulations globally. Ongoing efforts to monitor third-party relationships, enhance whistleblower mechanisms, and leverage technology for compliance tracking further reduce exposure to unethical practices. These initiatives are essential in safeguarding SeQuent's reputation, legal standing, and stakeholder trust, thereby contributing to the long-term sustainability and integrity of its global operations. | Negative *There was no negative financial impact for the reporting year 2024-25 |

## SECTION B:
## MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | The respective departmental heads and the Board approve the Company's policies, wherever required. | | | | | | | | |
| c. Web Link of the Policies, if available | | | | | | | | | |

| Sr No | Name of policy | Link to Policy | Which Principles each policies goes into |
|---|---|---|---|
| 1 | SeQuent Familiarization Programmes for Independent Directors | https://sequent.in/wp-content/uploads/2025/04/Sequent-Familiarization-Programmes-for-Independent-Directors-24-25.pdf | P1 |
| 2 | Code of Conduct for Board & Senior Management | https://sequent.in/wp-content/pdf/code-of-conduct/Code%20of%20Conduct%20&%20Ethics_Board%20of%20Directors.pdf | P1 |
| 3 | SeQuent Policy on Preservation and Archival of Documents | https://sequent.in/wp-content/uploads/2025/02/1.-Sequent-Policy-on-Preservation-and-Archival-of-Documents-1.pdf | P1 |
| 4 | Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives | https://sequent.in/wp-content/uploads/2025/06/Sequent_Code-of-Conduct-for-Prohibition-of-Insider-Trading.pdf | P1 |
| 5 | Code Of Conduct for Fair Disclosure of Unpublished Price Sensitive Information | https://sequent.in/wp-content/pdf/policies/CODE%20OF%20CONDUCT%20FOR%20FAIR%20DISCLOSURE.pdf | P1 |
| 6 | Risk Management Policy | https://sequent.in/wp-content/pdf/policies/Risk%20Management%20Policy.pdf | P1, P2 |
| 7 | SeQuent Supplier Code of Conduct | https://sequent.in/wp-content/pdf/code-of-conduct/Sequent%20-%20Supplier%20Code%20of%20Conduct.pdf | P1, P2, P8 |
| 8 | SeQuent Policy on Determination of Materiality for Disclosure of Events or Information[2] | https://sequent.in/wp-content/uploads/2025/02/3.-Sequent-Policy-on-Determination-of-Materiality-for-Disclosure-of-Events-or-Information.pdf | P1, P4 |
| 9 | Policy on Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries[3] | https://sequent.in/wp-content/uploads/2025/02/5.-Related-Party-Transactions.pdf | P1, P4, P7 |
| 10 | Policy on prevention of Harassment & Discrimination | https://sequent.in/wp-content/pdf/policies/POLICY%20OF%20PREVENTION%20OF%20SEXUAL%20HARASSMENT%20OF%20WOMEN%20(POSH).pdf | P5 |

[2]Amended in accordance with Regulation 23 of the SEBI (LODR) Regulations, as per the Third Amendment notified on 12th December 2024.
[3]Amended in accordance with Regulation 24 of the SEBI (LODR) Regulations, as per the Third Amendment notified on 12th December 2024.

| Sr No | Name of policy | Link to Policy | Which Principles each policies goes into |
|---|---|---|---|
| 11 | Board Diversity Policy | https://sequent.in/wp-content/pdf/policies/SeQuent%27s%20Board%20Diversity%20Policy.pdf | P1 |
| 12 | Environment, Health & Safety Policy | Available internally | P2, P6 |
| 13 | SeQuent's Policy on Director's Appointment and Remuneration | https://sequent.in/wp-content/pdf/policies/Sequent%E2%80%99s%20Policy%20on%20Director%E2%80%99s%20Appointment%20and%20Remuneration.pdf | P5 |
| 14 | SeQuent Policy on Dividend Distribution | https://sequent.in/wp-content/pdf/policies/Sequent_Dividend_Distribution_Policy.pdf | P4 |
| 15 | SeQuent Whistle-blower Policy | https://sequent.in/wp-content/pdf/policies/Whistle%20Blower%20Policy.pdf | P1, P3 |
| 16 | SeQuent Corporate Social Responsibility (CSR) Policy | https://sequent.in/wp-content/uploads/2025/06/Corporate-Social-Responsibility-CSR-Policy-1.pdf | P4, P8 |
| 17 | Employee Grievance Policy | Available internally | P3, P5 |
| 18 | Anti-Discrimination Policy | Available internally | P5 |
| 19 | Code of Conduct | Available internally | P1, P3 |
| 20 | Anti-Corruption Compliance Policy | Available internally | P1, P7 |
| 21 | Paternity Leave Policy | Available internally | P3 |
| 22 | Employee Insurance Policy | Available internally | P3, P5 |
| 23 | Flexible Working Hours & Paternity Leave Policy | Available internally | P3 |
| 24 | General IT Policy And Security Guidelines | Available internally | P9 |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes, the relevant policies, such as Supplier Code of Conduct are extended to the value chain partners. | | | | | | | | |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The Mahad plant has been certified with ISO 14001:2015, which defines the criteria for an environmental management system to improve environmental performance – Principle 2 & Principle 6<br>The Mahad plant has obtained ISO 45001:2018 certification, which sets out the requirements for an occupational health and safety (OH&S) management system. This standard helps organizations ensure safe and healthy workplaces by preventing work-related injuries and illnesses while actively improving OH&S performance – Principle 3 | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | SeQuent has begun its ESG journey and has established a clear Environmental, Health, and Safety policy, which applies to all subsidiaries, key suppliers, and contractors, and is communicated to all stakeholders. The Company is currently assessing its alignment with global initiatives and goals related to sustainable business practices, decarbonization, and GHG emission reduction, and aims to integrate these considerations in the coming years. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | At SeQuent, we are committed to improving our Environmental, Social, and Governance (ESG) practices through both strategic thinking and actionable initiatives. Acknowledging the significance of responsible manufacturing in the pharmaceutical industry, we strive to reduce the environmental footprint of our operations by optimizing resource utilization, managing waste, reducing greenhouse gas emissions, and implementing reclamation efforts. Our objective is to achieve net-zero emissions in the near future. By identifying potential risks and formulating mitigation strategies, we are taking steps toward becoming a more sustainable and responsible organization, contributing to a better future for the planet.<br>Moreover, we prioritize the well-being and safety of our employees and the communities in which we operate. We foster diversity, inclusivity, and ethical standards, promoting a positive and transparent work environment. With a strong governance framework, we uphold accountability, integrity, and informed decision-making. Our holistic approach to technological innovation aims to generate sustainable outcomes across all three pillars of ESG.<br>- Mr. Vedprakash Ragate (Whole-time Director) | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Vedprakash Ragate, DIN: 10578409, Whole-time Director | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | All sustainability-related decisions are made by the Board of Directors. | | | | | | | | |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was under taken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | The Board of Directors, along with the Nomination and Remuneration Committee, Risk Management Committee, and Audit Committee, reviews the performance related to the above-mentioned policies and the follow-up actions, as applicable. | | | | | | | | | Periodically | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company ensures timely monitoring and completion of all compliance requirements. | | | | | | | | | Quarterly | | | | | | | | |

| | |
|---|---|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | Yes. Dhir & Dhir Associates, a Law Firm conducted an evaluation to assess the implementation and effectiveness of policies. The evaluation primarily focused on the effectiveness of policy execution. Moreover, the policies undergo periodic evaluations and revisions led by department heads and business heads, followed by approval from the management or board. It is important to mention that internal auditors and regulatory bodies may review the processes and compliance measures, as necessary. |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |

**SECTION C:**

## PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total Number of Training and awareness Programmes held | Topics/Principles Covered Under the Training and its Impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 1 | Prevention of Sexual Harassment | 100.00 |
| Key Managerial Personnel | 1 | Prevention of Sexual Harassment | 100.00 |
| Employees other than BoD and KMPs | 86 | Awareness on BRSR and its principles, Code of Ethics, Company Philosophy, Confidentiality of Company Information, Data Integrity, Whistle Blower Policy, Employee Grievance Policy, SeQuent Code of Conduct for Prohibition of Insider Trading, Anti-Discrimination, Prevention of Sexual Harassment, Economic Sanction, Anti-money Laundering & counter terrorism financing compliance, Ani-corruption Compliance, Prohibition of Child Labour, Cyber Crime, PIT Regulations | 100.00 |
| Workers | 183 | Trainings pertaining to Health and Safety, technical trainings, Emergency planning, Mock Drills, Fire Safety, etc. | 100.00 |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year [basis the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website]

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine | Directors/ KMPs have not been subjected to any thresholds of the materiality policy[4] to pay any fines, penalties, punishments, awards, compounding fees, or settlement amounts in the financial year. | | | | |
| Settlement | | | | | |
| Compounding Fee | | | | | |

[4]The Company, pursuant to the 12th December 2024 changes prescribed by LODR third amendment w.r.t to materiality threshold of fines & penalties, has adopted the materiality policy in Q4 of FY24-25.

| | Non-Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Directors/ KMPs have not been subjected to any thresholds of the materiality policy[5] to pay any fines, penalties, punishments, awards, compounding fees, or settlement amounts in the financial year. | | | | |
| Punishment | | | | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|---|---|
| NIL | |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has formulated and implemented an Anti-Corruption Compliance Policy, which is applicable in the regions where it operates. This policy covers all directors, officers, and employees, including full-time, part-time, and temporary staff. It is designed to prevent bribery and misconduct through established internal controls, ensuring the Company can swiftly and effectively address any questions about its actions or the actions of those representing it. The policy is available for reference on the Company's intranet.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. **Details of complaints with regard to conflict of interest:**

| | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the Directors | NIL | NA | NIL | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NA | NIL | NA |

Note: The Company has established a strong framework to prevent potential conflicts of interest. It secures annual declarations from the Board and Key Managerial Personnel (KMP) and closely monitors all transactions in which they have or may have an interest.

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

The Company has not incurred any penalties from any regulatory authority during the reporting period.

[5]The Company, pursuant to the 12th December 2024 changes prescribed by LODR third amendment w.r.t to materiality threshold of fines & penalties, has adopted the materiality policy in Q4 of FY24-25.

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:[6]

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Number of days of accounts payables | 156 | 141 |

9. Open-ness of Business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format: [7]

| Parameter | Metrics | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Concentration of Purchases | Purchases from Trading houses as % of total purchases | 15.71 | 19.13 |
| | Number of trading houses where purchases are made from | 153 | 167 |
| | Purchases from top 10 trading houses as % of total purchases from trading houses | 48.06 | 45.98 |
| Concentration of Sales | Sales to dealers/distributors as % of total sales | 29.57 | 28.76 |
| | Number of dealers/distributors to whom sales are made | 973 | 938 |
| | Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 23.69 | 21.86 |
| Share of RPTs in | Purchases (Purchases with related parties/ Total Purchases) | 23.38 | 25.71 |
| | Sales (Sales to related parties/Total Sales) | 20.43 | 19.75 |
| | Loans & advances (Loans & advances given to related parties/Total loans & advances) | 99.99 | 99.99 |
| | Investments (Investments in related parties/ Total Investments made) | 99.99 | 99.71 |

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topic/principles covered under the training | % age of value chain partners covered (by value of business done with such partners) that were assessed |
|---|---|---|
| 3 | Code of Conduct, Sustainable procurement, Transportation Safety | Training was provided to 4 out of 13 value chain partners (30%), who together contribute over 50% of the API business for SeQuent and Alivira |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

Yes, as per the Company's Code of Conduct and Ethics policies, if a Director has an actual or potential conflict of interest, they must disclose the following details to the Board:

1. The nature and existence of the actual or potential conflict of interest.
2. All relevant information that they are aware of concerning the transaction that could impact the decision to move forward with it.

The Director may only proceed with the transaction after receiving approval from the Board.

[6]The above calculations are in accordance with Part B, Attribute 9 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[7]The above calculations are in accordance with Part B, Attribute 9 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

## Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | 2024-25 | 2023-24 | Details of Improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 1% | 1% | The Company has enhanced its facilities with investments in fume hoods, flameproof cabinets, laboratory analytical instruments, and upgrades to the fire hydrant system to improve safety. These measures are designed for the proper storage of chemicals to prevent air pollution and to ensure emergency preparedness for fire management |
| Capex | 38% | 11% | The Company has made investments to enhance its operations by upgrading the Multiple Effect Evaporator (MEE), installing a High COD Tank and a clarifier, relocating the PESO area, and improving the efficiency of the Effluent Treatment Plant (ETP). |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the Company procures APIs, intermediates, excipients, raw materials, and packaging materials for producing intermediates, APIs, and formulations in a manner that is both environmentally and socially responsible. This approach is guided by the sustainable procurement policy, which is available internally to all stakeholders, as outlined in Section B of this report.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   The Company strives to source all ingredients in a sustainable manner. However, an exact calculation of the percentage is currently not quantified.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   The Company has established a protocol for managing product end-of-life, hazardous waste, e-waste, and plastic waste. It follows a systematic approach for reclaiming products and ensuring their safe disposal. Waste generated during production is stored and then sent to authorized recyclers or Transport, Storage, and Disposal Facility (TSDF) sites, in accordance with approved consent and using manifest and TREM card procedures. Plastic waste is detoxified and then handed over to authorized local scrap vendors for disposal. E-waste is sorted, labeled, stored, and ultimately disposed of via manifest to certified recyclers.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No, EPR is not applicable to the Company.

## Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| 21005 | Albendazole | 30.00 | Albendazole end to end life cycle assessment completed internally | No, the company conducts it internally. | No |

Note: The Life Cycle Assessment (LCA) considers all stages, from the procurement of raw materials to the dispatch of the final product (cradle-to-gate).

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product/ Service | Description of the risk/ concern | Action Taken |
|---|---|---|
| **Albendazole** | The generation of hazardous waste could pose a risk to employee health. Air pollution released into the environment may impact the surrounding community. Polluted water discharged into the environment could be harmful to both the community and local flora and fauna. Additionally, land contamination may occur. | The Company follows practices of waste segregation, dedicated storage, and safe disposal through authorized agencies. To manage emissions, a wet scrubber is used to treat vapors and gases generated during processes, and dust collectors help control dust. A comprehensive effluent treatment facility is in place, offering primary, secondary, and tertiary treatment for low COD, and MEE and ATFD systems for high COD. Mahad site operates with Zero Liquid Discharge. The treated effluent at the Mahad site is reused in the process cooling tower and toilet flush. Furthermore, the facility is equipped with a containment dyke and spill control kit, and employees receive training on proper procedures and safety measures. |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| As a pharmaceutical Company, the Company operates under strict regulations governing its manufacturing processes and the use of input materials for the production of APIs and formulations. These regulations prevent the Company from using any reused or recycled materials in its production. | | |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Re- Used | Recycled | Safely Disposed | Re- Used | Recycled | Safely Disposed |
| Plastics (including packaging) | The products sold by the Company is consumed by the end user; therefore the Company does not reclaim any of the products. The packaging is currently not being reclaimed by the Company. | | | | | |
| E-waste | | | | | | |
| Hazardous Waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

| Indicate product category | Reclaimed products and their packaging materials (as percentage of products sold) for each product category |
|---|---|
| The Company is currently not reclaiming products or their packaging material. | |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. a. Details of measures for the well-being of employees:

| | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 805 | 805 | 100.00 | 805 | 100.00 | 0 | 0.00 | 805 | 100.00 | 0 | 0.00 |
| Female | 84 | 84 | 100.00 | 84 | 100.00 | 84 | 100.00 | 0 | 0.00 | 0 | 0.00 |
| **Total*** | **889** | **889** | **100.00** | **889** | **100.00** | **84** | **100.00** | **805** | **100.00** | **0** | **0.00** |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **0** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** |

* Percentage of (D) & (E) – Maternity and Paternity benefit is calculated as 100% as per FAQs on BRSR issued by NSE dated May 10, 2024

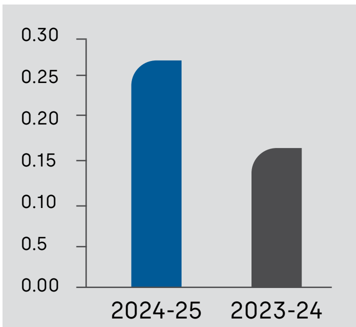
b. Details of measures for the well-being of workers:

| | % of workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 355 | 355 | 100.00 | 355 | 100.00 | 0 | 0.00 | 355 | 100.00 | 0 | 0.00 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| **Total*** | **355** | **355** | **100.00** | **355** | **100.00** | **0** | **0.00** | **355** | **100.00** | **0** | **0.00** |
| **Other than Permanent Workers** | | | | | | | | | | | |
| Male | 184 | 15 | 8.15 | 15 | 8.15 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Female | 4 | 0 | 0.00 | 0 | 0.00 | 4 | 100.00 | 0 | 0.00 | 0 | 0.00 |
| **Total*** | **188** | **15** | **7.98** | **15** | **7.98** | **4** | **100.00** | **0** | **0.00** | **0** | **0.00** |

* Percentage of (D) & (E) – Maternity benefit is calculated as 100% as per FAQs on BRSR issued by NSE dated May 10, 2024

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:[8]

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.27 | 0.17 |




[8]The above calculations are in accordance with Part B, Attribute 5 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100.00 | 100.00 | Yes | 100.00 | 100.00 | Yes |
| Gratuity | 100.00 | 100.00 | NA | 100.00 | 100.00 | NA |
| ESI | 8.00 | 70.00 | Yes | 15.00 | 76.00 | Yes |

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, the premises are fully accessible to employees and workers with disabilities. Both the corporate office and plants are equipped with ramps, lifts, and other facilities to accommodate their needs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Anti-Discrimination Policy that includes provisions for Equal Employment Opportunity. This ensures that all employment opportunities are provided without discrimination or harassment based on various factors mentioned in the said Policy. The Company is also committed to complying with all relevant legal requirements regarding these protections. The policy can be accessed on the Company's intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100.00 | 100.00 | 100.00 | 100.00 |
| Female | 100.00 | 100.00 | 100.00 | 100.00 |
| **Total** | 100.00 | 100.00 | 100.00 | 100.00 |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes |
| Other than Permanent Workers | Yes |
| Permanent Employees | Yes |
| Other than Permanent Employees | N/A |

SeQuent follows an Employee Grievance Policy that outlines a clear escalation process, beginning with informal discussions with the reporting manager and, if needed, reaching up to the Managing Director. Shareholder grievances are addressed as per SEBI's prescribed mechanism, while concerns from other stakeholders are managed by the respective departments at the appropriate levels.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees/ workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | **889** | **0** | **0.00** | **800** | **0** | **0.00** |
| Male | 805 | 0 | 0.00 | 722 | 0 | 0.00 |
| Female | 84 | 0 | 0.00 | 78 | 0 | 0.00 |
| **Total Permanent Worker** | **355** | **162** | **45.63** | **395** | **166** | **42.03** |
| Male | 355 | 162 | 45.63 | 395 | 166 | 42.03 |
| Female | 0 | 0 | 0.00 | 0 | 0 | 0.00 |

8. Details of training given to employees and workers:

| | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and Safety measures | | On Skill upgradation | | Total (D) | On Health and Safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 805 | 805 | 100.00 | 677 | 84.10 | 722 | 722 | 100.00 | 612 | 84.07 |
| Female | 84 | 84 | 100.00 | 76 | 90.48 | 78 | 78 | 100.00 | 71 | 91.03 |
| **Total** | **889** | **889** | **100.00** | **753** | **84.70** | **800** | **800** | **100.00** | **683** | **85.38** |
| **Workers** | | | | | | | | | | |
| Male | 539 | 539 | 100.00 | 26 | 4.82 | 556 | 556 | 100.00 | 10 | 1.80 |
| Female | 4 | 4 | 100.00 | 4 | 100.00 | 2 | 2 | 100.00 | 2 | 100.00 |
| **Total** | **543** | **543** | **100.00** | **30** | **5.52** | **558** | **558** | **100.00** | **12** | **2.15** |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 805 | 805 | 100.00 | 722 | 719 | 99.58 |
| Female | 84 | 84 | 100.00 | 78 | 67 | 85.90 |
| **Total** | **889** | **889** | **100.00** | **800** | **786** | **98.25** |
| **Workers** | | | | | | |
| Male | 539 | 377 | 69.94 | 556 | 199 | 39.79 |
| Female | 4 | 4 | 100.00 | 2 | 0 | 0.00 |
| **Total** | **543** | **381** | **70.17** | **558** | **199** | **35.66** |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company has established an Occupational Health and Safety management system across all plants of Sequent Scientific Ltd. and Alivira Animal Health Ltd. The Mahad Plant has also achieved ISO 45001 (Health & Safety Management System) and ISO 14001 (Environmental Management System) certifications.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, the processes such as Hazard Identification & Risk Assessment (HIRA) and Hazard & Operability Study (HAZOP) have been effectively implemented across all plants of Sequent Scientific Ltd. and Alivira Animal Health Ltd. Furthermore, near misses and unsafe conditions are consistently monitored and tracked.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, a system along with Standard Operating Procedures (SOPs) for reporting Unsafe Conditions, Acts, and Near Misses is established at all plants of Sequent Scientific Ltd. and Alivira Animal Health Ltd. This system facilitates the reporting of work-related hazards and includes plans for hazard prevention. The Safety Committee at each site oversees these processes, and management reviews them regularly.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees/workers of the Company have access to non-occupational medical and healthcare services.

## 11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.00 | 0.00 |
| | Workers | 0.00 | 0.00 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The following measures are implemented to ensure a safe and healthy workplace:

- Health & Safety Key Performance Indicators (KPIs) set to reduce incidents
- Regular training provided to employees
- SCM meetings conducted with staff and workers
- Personal Protective Equipment (PPE) issued and used by the plant workforce
- Near miss reporting to minimize incidents

## 13. Number of Complaints on the following made by employees and workers:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health & Safety | 0 | 0 | NA | 0 | 0 | NA |

## 14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100.00 |
| Working Conditions | 100.00 |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Following the assessments of health and safety aspects, the following corrective and preventive actions are taken:

- Corrective and Preventive Action (CAPA) shared with employees, along with training to prevent recurrence
- Progress tracked in the Operational Review Meeting (ORM)
- Root cause analysis, CAPA, and actions closely monitored
- Training provided to employees
- "Why-Why" analysis conducted to identify underlying causes
- Standard Operating Procedures (SOP) for incident investigation and CAPA in place

## Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company offers a comprehensive Group Term Life Insurance policy, providing coverage based on the employee's grade or level, ranging from a minimum of ₹ 5 lakhs to a maximum of ₹ 20 lakhs. Employees in the worker category are covered with ₹ 5 lakhs, while the specific coverage for each grade is clearly outlined in the policy. In addition, the Company also provides a Group Personal Accident policy, ensuring a benefit of four times the annual basic salary in the unfortunate event of death.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

TDS deducted & deposited by the Company's customers (value chain partners) is monitored and accounted for in SAP accordingly. Further, contractors are required to provide all the statutory documentation. As contractees, the Company is responsible for the compliance of PF and ESIC payments by contractors and the above process is followed to ensure the same.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024-25 | FY 2023-24 | FY 2024-25 | FY 2023-24 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No, the Company currently does not offer any transition assistance.

5. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |
| Working Conditions | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

There were no risks identified in the reporting year.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

## Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company's approach to stakeholder engagement starts with identifying both internal and external stakeholders. The Company then evaluates how each stakeholder group influences their business and how their business affects the Company. After this assessment, the Company prioritises its key stakeholders to gain a clearer understanding of their expectations and concerns. Through regular communication across various channels, the Company aims to foster stronger relationships and continually refine its organisational strategy.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board, Website), Other | Frequency of engagement (Annually / Half yearly / Quarterly / Others-please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Customers | No | Email, Newspaper, Pamphlets, Conferences, Meetings, Website | Quarterly | To understand issues, order booking, customer surveys |
| Government/ Competent Authorities | No | Meetings, Emails, one-on-one | Frequently, Need based | Health information, Knowledge Sharing, Benefits Information Sharing, Company Information |
| Employees | No | Email, Town halls, phone calls, online meetings, physical meetings. | Continual | For Quarterly rate settlements, development of product or issues in supplies. |
| Suppliers | No | Meetings, calls, one- on one | Continual | For business related discussions |
| Shareholders | No | Website, SMS, Newspaper, Email, AGMs | Periodically | Statutory Communication |
| Communities | Yes | Website, Email, Meetings | Periodically | Community development |

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company frequently communicates with customers, and the feedback obtained is shared during business reviews that involve the Board Members.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company has obtained guidance from customers and consultants through ongoing interactions, leading to updates and improvements in the equipment at the factories.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company actively engages and works to address the concerns of vulnerable and marginalized stakeholder groups. However, no such instances were recorded during the reporting year.

**PRINCIPLE 5: Businesses should respect and promote human rights**

## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 889 | 889 | 100.00 | 800 | 800 | 100.00 |
| Other than permanent | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| **Total Employees** | **889** | **889** | **100.00** | **800** | **800** | **100.00** |
| **Workers** | | | | | | |
| Permanent | 355 | 355 | 100.00 | 395 | 395 | 100.00 |
| Other than permanent | 188 | 188 | 100.00 | 163 | 163 | 100.00 |
| **Total Workers** | **543** | **543** | **100.00** | **558** | **558** | **100.00** |

2. Details of minimum wages paid to employees and workers, in the following format:

| | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | 889 | 2 | 0.22 | 887 | 99.78 | 800 | 5 | 0.63 | 795 | 99.38 |
| Male | 805 | 1 | 0.12 | 804 | 99.88 | 722 | 3 | 0.42 | 719 | 99.58 |
| Female | 84 | 1 | 1.19 | 83 | 98.81 | 78 | 2 | 2.56 | 76 | 97.44 |
| **Other than Permanent** | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| Male | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| **Workers** | | | | | | | | | | |
| **Permanent** | 355 | 17 | 4.79 | 338 | 95.21 | 395 | 29 | 7.34 | 366 | 92.66 |
| Male | 355 | 17 | 4.79 | 338 | 95.21 | 395 | 29 | 7.34 | 366 | 92.66 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| **Other than Permanent** | 188 | 167 | 88.83 | 21 | 11.17 | 163 | 56 | 34.36 | 107 | 65.64 |
| Male | 184 | 163 | 88.59 | 21 | 11.41 | 161 | 54 | 33.54 | 107 | 66.46 |
| Female | 4 | 4 | 100.00 | 0 | 0.00 | 2 | 2 | 100.00 | 0 | 0.00 |

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

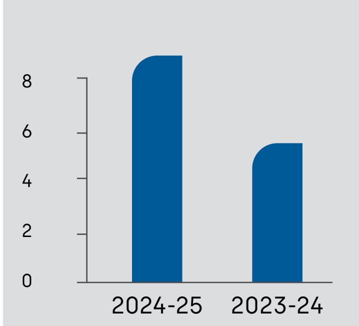
| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ Salary/ Wages of respective category (in ₹ per year) | Number | Median remuneration/ Salary/ Wages of respective category (in ₹ per year) |
| Board of Directors (BoD) | 8 | 13,00,000 | 1 | 3,00,000 |
| Key Managerial Personnel^ | 1 | 1,04,00,000 | 1 | 9,10,000 |
| Employees other than BoD and KMP | 796 | 4,03,554.00 | 82 | 4,74,062.00 |
| Workers | 355 | 2,75,743.00 | 0 | 0.00 |

^Mr. Phillip Trott was the CS till 16th December, 2024, who was succeeded by Ms. Yoshita Vora w.e.f 17th December, 2024.

Note: The median remuneration of the Board and KMP represent the BOD and KMP of Sequent Scientific Ltd. only. The median remuneration for the above table has been calculated on pro-rata basis.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:[9]

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Gross wages paid to females as % of total wages | 8.00% | 6.00% |



Gross wages paid to females as % Of total wages

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Human Resources department is responsible for addressing human rights issues within the Company.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

The Company has established various policies related to human rights matters, which are available on their website at https://sequent.in/investor-relation/polices-and-financials-of-subsidiaries.

6. **Number of Complaints on the following made by employees and workers:**

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual harassment | 0 | 0 | NA | 1* | 1 | The complaint was under investigation at the end of Reporting period |
| Discrimination at workplace | 0 | 0 | NA | 0 | 0 | NA |
| Child Labour | 0 | 0 | NA | 0 | 0 | NA |
| Forced Labour/ Involuntary Labour | 0 | 0 | NA | 0 | 0 | NA |
| Wages | 0 | 0 | NA | 0 | 0 | NA |
| Other Human Rights related issues | 0 | 0 | NA | 0 | 0 | NA |

*The complaint pending resolution in 2023-24 has been resolved and disposed of as per provisions of law during the reporting year 2024-25

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**[10]

| Category | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 1 |
| Complaints on POSH as a % of female employees / workers | 0.00 | 1.25% |
| Complaints on POSH upheld | 0 | 0 |

[9] The above calculations are in accordance with Part B, Attribute 6 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[10] The above calculations are in accordance with Part B, Attribute 6 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

   The Company's whistle-blower mechanism, available to employees and workers, ensures the protection of the complainant and guarantees the confidentiality of their identity.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Yes, The Company has incorporated Human Rights requirements as a part of its business agreements.

10. **Assessments for the year:**

| | % of your plants and Offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child Labour | 100%, Routine inspections (internal and statutory) are done at plants of the Company as per the standard SOPs and statutory provisions |
| Forced/involuntary labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    There were no risks identified in the reporting year.

## Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:**

   Not applicable, as there were no changes or introductions to business processes aimed at addressing human rights grievances or complaints during the reporting period.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   The Company has not conducted any Human Rights due diligence during the reporting period.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, the premises are fully accessible to differently-abled visitors. Both the corporate office and plants are equipped with ramps, lifts, and other facilities to accommodate their needs.

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |
| Discrimination at workplace | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |
| Child Labour | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |
| Forced Labour / Involuntary Labour | 30% of key suppliers, who together contribute to 50% of the business of Sequent Scientific Ltd. and Alivira Animal Health Ltd., have been assessed |
| Wages | Not Assessed |

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   There were no risks identified in the reporting year.

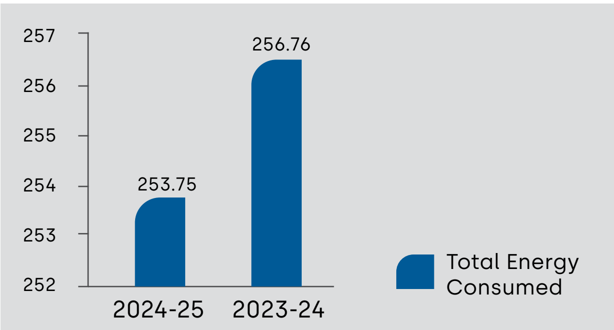
**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

## Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format[11]:

| Parameter | FY 2024-25 (In Terajoules) | FY 2023-24 (In Terajoules) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 0.21 | 0.16 |
| Total fuel consumption (B) | 91.92 | 84.04 |
| Energy consumption through other sources (C) | 0.00 | 0.00 |
| Total Energy consumption from renewable sources (A+B+C) | 92.14 | 84.20 |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 71.38 | 72.82 |
| Total fuel consumption (E) | 90.22 | 99.74 |
| Energy consumption through other sources (F) | 0.00 | 0.00 |
| Total Energy consumption from non-renewable sources (D+E+F) | 161.60 | 172.56 |
| Total energy consumed (A+B+C+D+E+F) | 253.74 | 256.76 |
| Energy intensity per rupee of turnover (Total energy consumption/ Revenue from Operations) – TJ/ Rupees | 0.000000046 | 0.000000046 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[12] (Total energy consumed / Revenue from operations adjusted for PPP) – TJ/Rupees | 0.00000094 | 0.0000010 |
| Energy intensity in terms of physical output[13] - TJ/KG | 0.00020 | 0.00018 |
| Energy intensity (Optional) – Relevant metric maybe selected by the entity – TJ/employees | 0.29 | 0.32 |

### Total Energy Consumed




Note: The Tarapur plant, for which the data was included in FY 2023-24, is not included in this years' calculation as the plant is closed.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

[11]The above calculations are in accordance with Part B, Attribute 3 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[12]The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[13]The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

The Company's facilities do not fall under the scope of the Government of India's Perform, Achieve, and Trade (PAT) Scheme.

3. **Provide details of the following disclosures related to water, in the following format[14]:**

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 0.00 | 0.00 |
| (ii) Groundwater | 0.00 | 0.00 |
| (iii) Third party water | 1,01,441.00 | 1,07,815.60 |
| (iv) Seawater / desalinated water | 0.00 | 0.00 |
| (v) Others | 0.00 | 0.00 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 1,01,441.00 | 1,07,815.60 |
| Total volume of water consumption (in kilolitres) | 68,500.30 | 70,953.12 |
| Water intensity per rupee of turnover (Water consumed / Revenue from operations) – KL/Rupees | 0.000012 | 0.0000128 |
| Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[15] (Total water consumption / Revenue from operations adjusted for PPP) – KL/Rupees | 0.00025 | 0.00029 |
| Water intensity in terms of physical output[16] - KG/KL | 0.054 | 0.051 |
| Water intensity (Optional) – Relevant metric maybe selected by the entity – KL/employees | 77.05 | 88.69 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

4. **Provide the following details related to water discharged**

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To Surface water** | 0.00 | 0.00 |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **(ii) To Groundwater** | 0.00 | 0.00 |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **(iii) To Seawater** | 0.00 | 0.00 |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **(iv) Sent to third-parties** | 32,940.70 | 36,124.29 |
| - No treatment | 1,092.20 | 1,110.88 |
| - With treatment – Full Fledged effluent treatment system available with primary, secondary and tertiary system and treated effluent sent to CETP (Common Effluent Treatment Plant) | 31,848.50 | 35,013.41 |

[14]The above calculations are in accordance with Part B, Attribute 2 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[15]The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[16]The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **(v) Others** | 0.00 | 0.00 |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | **32,940.70** | **36,124.29** |

Note: The Tarapur plant, for which the data was included in FY 2023-24, is not included in this years' calculation as the plant is closed.

For the Corporate office, the Company has approximated 45 litres of water per person as consumption since the Company operates in rented premises.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has effectively implemented a Zero Liquid Discharge (ZLD) system at its Mahad manufacturing facility, demonstrating its commitment to sustainable water management and regulatory compliance. At this site, a comprehensive suite of advanced effluent treatment technologies is in place to ensure minimal environmental impact.

The Mahad facility operates a Multi Effect Evaporator (MEE) with a treatment capacity of 100 cubic meters per day (CMD), an Agitated Thin Film Dryer (ATFD) capable of processing 25 CMD, a Reverse Osmosis (RO) plant with a capacity of 120 CMD, and an Effluent Treatment Plant (ETP) designed to handle 120 CMD. The ETP employs a robust treatment regime encompassing primary, secondary, and tertiary processes to manage approximately 87.83 CMD of industrial effluent and 13 CMD of domestic wastewater.

Post-treatment, the effluent is largely recycled for use in process cooling towers with a recycling capacity of up to 69 CMD, aligning with the Company's water conservation initiatives. Any residual treated effluent, up to 18.5 CMD, is securely discharged through the Common Effluent Treatment Plant (CETP), ensuring full compliance with environmental and operational standards.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| NOx | Kg | ↘18,851.97 | 51,590.87 |
| SOx | Kg | ↘16,731.19 | 45,544.21 |
| Particulate matter (PM) | Kg | ↘10,792.16 | 22,349.52 |
| Persistent organic pollutants (POP) | - | 0.00 | 0.00 |
| Volatile organic compounds (VOC) | - | 0.00 | 0.00 |
| Hazardous air pollutants (HAP) | - | 0.00 | 0.00 |
| Others – Hydrocarbons | Kg | 27.42 | 0.00 |
| Others – Carbon Monoxide (CO) | Kg | 72.49 | 0.00 |
| Others – Sulphuric Acid Mist | Kg | 472.05 | 0.00 |

Note: For FY 2023–24, the number of working hours and days was initially considered at a maximum estimate i.e., 24 hours × 353 (Vizag and Mahad) and 293 (Ambernath) days, respectively as the data was not quantified. However, with the data collection process being streamlined in FY 2024–25, the Company sees a considerable decrease in the emissions as it has the quantified data w.r.t working hours and days.

For the financial year 2023-24 and 2024-25 NOx was not monitored for the Mahad unit on quarterly basis as per the MPCP consent.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

An independent assessment for stack monitoring analysis has been conducted at the Mahad and Ambernath units by Excellent Enviro Laboratory and Research centre Pvt. Ltd. Similarly, at the Vizag unit, the stack monitoring analysis was carried out by Star Analytical Services.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format[17]:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 1 emissions **(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 14,224.94 | 17,659.30 |
| Total Scope 2 emissions [18] **(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 19,212.35 | 17,413.31 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | Metric tonnes of CO2 equivalent/ Rupees | 0.0000060 | 0.0000063 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP)[19] **(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)** | Metric tonnes of CO2 equivalent/ Rupees | 0.00012 | 0.00014 |
| **Total Scope 1 and Scope 2 emissions intensity in terms of physical output[20]** | Metric tonnes of CO2 equivalent/ Kg | 0.026 | 0.028 |
| **Total Scope 1 and Scope 2 emissions intensity (Optional) – Relevant metric maybe selected by the entity** | Metric tonnes of CO2 equivalent/ employee | 37.61 | 43.84 |

Note: Electricity consumption has decreased as compared to FY 23-24, however scope 2 has increased because the emission factor has increased (Please refer to footnote 17)

The Tarapur plant, for which the data was included in FY 2023-24, is not included in this years' calculation as the plant is closed.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

- Implementing Regular Maintenance Checks for DG Sets – Conducting scheduled A, B, and C category maintenance checks on diesel generators helps ensure optimal performance, thereby minimizing diesel usage and enhancing fuel efficiency.
- Installation of a Solar Power Plant – Introducing a solar power system is being proposed as a renewable energy solution to supplement the facility's electricity needs and significantly reduce reliance on conventional power sources.
- Utilization of VFDs for High HP Motors – Installing Variable Frequency Drives (VFDs) on high horsepower motors allows for better speed control and energy optimization, resulting in a noticeable decrease in electricity consumption.
- Cooling Tower Fan Motor Optimization with Temperature Interlocks – Integrating temperature-based control interlocks for cooling tower fan motors ensures that the fans operate only when necessary, thereby conserving energy.

[17]The above calculations are in accordance with Part B, Attribute 1 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[18]The above calculations as per the updated emission factors provided in the $CO_2$ Baseline Database for the Indian Power Sector – User Guide, Version 20.0, December 2024, published by the Central Electricity Authority, Ministry of Power, Government of India.

[19] above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[20]The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

- Upgrading Motors to High-Efficiency IE4 Standards – Replacing old, rewound high horsepower motors with energy-efficient IE4 motors reduces power loss and improves overall energy performance.
- Steam Condensate Recovery and Temperature Management – Recovering steam condensate from the SRP and maintaining its feed temperature at around 45°C helps in reducing the overall coal requirement, contributing to better thermal efficiency.
- Installation of Motion Sensor Lighting in Non-Operational Areas – Motion-sensor lights have been strategically installed in various areas of the plant, including passages and outdoor premises. These energy-efficient lighting systems automatically switch on and off based on human presence, significantly reducing unnecessary electricity consumption during periods of inactivity. This measure contributes to lowering energy usage and, in turn, reducing associated GHG emissions from electricity generation.
- Optimized Air Conditioning Temperature Settings – The temperature settings of 20 air conditioning units have been standardized to operate between 23°C and 24°C. Maintaining ACs within this energy-efficient temperature range minimizes excessive power consumption while ensuring comfort. This initiative directly supports energy conservation efforts and helps reduce indirect GHG emissions arising from electricity use.
- Installation of Capacitors for Power Factor Correction – Capacitors with capacities of 1 KVA and 2 KVA have been installed in the electrical panels to stabilize voltage fluctuations and improve the overall power factor. Enhancing power factor leads to more efficient energy usage, reducing power losses and minimizing the overall electricity demand. This technical upgrade supports a reduction in GHG emissions by optimizing the efficiency of power utilization.
- Awareness Campaigns on Energy Conservation – Awareness posters and visual communication materials have been displayed across various sections of the plant to educate employees about the importance of electricity conservation. These awareness initiatives promote behavioural changes that encourage responsible energy use, supporting the broader objective of reducing the facility's carbon footprint.
- Steam Line Servicing and Maintenance for Enhanced Efficiency – Regular servicing and maintenance of the steam line has been carried out, leading to improved operational efficiency and reduced fuel consumption. By addressing issues such as leakages, insulation degradation, and pressure losses, the system now operates with greater thermal efficiency. This not only optimizes fuel usage but also significantly contributes to the reduction of greenhouse gas (GHG) emissions associated with steam generation processes.

9. Provide details related to waste management by the entity, in the following format[21]:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 28.88 | 25.14 |
| E-waste (B) | 0.79 | 15.36 |
| Bio-medical waste (C) | 0.89 | 1.04 |
| Construction and demolition waste (D) | 0.00 | 0.00 |
| Battery waste (E) | 0.49 | 0.98 |
| Radioactive waste (F) | 0.00 | 0.00 |
| Other Hazardous waste. Please Specify, if any. (G) *Chemical sludge from wastewater treatment, Process Residues in waste, Spent Carbon, Solvent Distillation Bottom Residue, Waste Oil, Insulation Waste, Organc Sludge, Used PPE and CF bags, ETP Sludge, Used Oil/Spent Oil, Distillation Residue, ATFD Salt, Process Dust* | 996.34 | 919.56 |
| Other Non-hazardous waste generated (H). Corrugated boxes, *Organic waste, inorganic salt/sand, boiler ash, paper, glass, bottle, tissue, carton box* | 876.29 | 833.53 |
| **Total (A+B + C + D + E + F + G + H)** | **1,903.68** | **1,795.61** |

[21]The above calculations are in accordance with Part B, Attribute 4 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Waste intensity per rupee of turnover **(Total waste generated / Revenue from operations) – MT/rupees** | 0.00000034 | 0.00000032 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[22] **(Total waste generated / Revenue from operations adjusted for PPP) – MT/rupees** | 0.0000071 | 0.0000072 |
| Waste intensity in terms of physical output[23] - **MT/KG** | 0.0015 | 0.0013 |
| Waste intensity (optional) - the relevant metric may be selected by the entity – MT/employee | 2.14 | 2.24 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste – plastic waste, battery waste, hazardous and non-hazardous waste** | | |
| (i) Recycled – Plastic waste, E-waste, Used oil, Boiler Ash, Glass and Bottle and Carton | 897.88 | 873.34 |
| (ii) Re-used | 0.00 | 0.00 |
| (iii) Other recovery operations - Buy back (Battery waste), Inorganic salt/sand, spent carbon, solvent distillation bottom residue, waste oil, insulation waste, organic solid waste | 367.10 | 272.73 |
| **Total** | **1,264.98** | **1,146.07** |

| | | |
|---|---|---|
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste – hazardous waste and bio-medical waste** | | |
| (i) Incineration - *Bio-medical waste, Distillation Residue and Process Dust, used PPE and CF bags, Plastic Waste, Bio-medical Waste, Paper, Tissue* | 81.16 | 96.21 |
| (ii) Landfilling - *ETP Sludge, ATFD salt and Organic salt* | 564.05 | 582.86 |
| (iii) Other disposal operations | 0.00 | 0.00 |
| **Total** | **645.21** | **679.07** |

Note: The Tarapur plant, for which the data was included in FY 2023-24, is not included in this years' calculation as the plant is closed.

Additionally, the plant owned by Sequent Research Lab for which the data was not available in FY 2023-24 has been included in this calculation for both the years.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

[22]The above calculations are in accordance with Part A, Section 1(I) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[23]The above calculations are in accordance with Part A, Section 1(II) of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company's Waste Management Strategy is designed to ensure environmentally sound, safe, and compliant handling of all waste generated at the facility. As a first step, all waste will be clearly identified and classified into hazardous and non-hazardous categories, with appropriate term cards affixed to materials to facilitate traceability and awareness. Segregation of waste shall be carried out at the source of generation using color-coded bins, with category-wise storage areas established across the site to minimize the risk of contamination and enable efficient collection. Proper storage practices will be followed, wherein waste is housed in designated areas specifically earmarked for hazardous and non-hazardous materials, each clearly labelled to indicate contents, risks, and handling instructions. The transportation of waste to authorized treatment and disposal facilities will be conducted through licensed vendors, using approved vehicles to ensure safety and adherence to regulatory guidelines.

Waste treatment and disposal will be carried out in strict accordance with statutory norms, giving priority to recycling and reuse wherever possible. Authorized facilities will be engaged to manage final treatment and disposal processes. To strengthen implementation, periodic training programs will be conducted for all relevant employees, following the company's annual training calendar, to enhance awareness and competence in proper waste handling procedures. Furthermore, all waste management activities—including generation, segregation, storage, transportation, and disposal—will be meticulously documented. This will ensure robust compliance with environmental and legal requirements, while also facilitating monitoring, reporting, and continual improvement of the waste management process.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/ offices | Types of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| The Company is not currently operating in ecologically sensitive areas. | | | |

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not Applicable. | | | | | |

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| Serial Number | Specify the law / regulation / guidelines which was not complied with | Provide details of the non- compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective taken, if any action |
|---|---|---|---|---|
| Yes, the Company is compliant with the applicable environmental laws/ regulations/ guidelines in India. However, there were no material non-compliances reported by the Company in the financial year. | | | | |

## Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
   For each facility / plant located in areas of water stress, provide the following information:
   (i) Name of the area : Not Applicable
   (ii) Nature of operations : Not Applicable
   (iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| **(i) Surface water** | Not Applicable | Not Applicable |
| **(ii) Groundwater** | | |
| **(iii) Third party water** | | |
| **(iv) Seawater / desalinated water** | | |
| **(v) Others** | | |
| Total volume of water withdrawal (in kilolitres) | | |
| Total volume of water consumption (in kilolitres) | | |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |
| Water discharge by destination and level of treatment (in kilolitres) | Not Applicable | Not Applicable |
| (i) Into Surface water | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) Into Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) Into Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| Total water discharged (in kilolitres) | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 3 emissions **(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 320.48 | Not Quantified |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of CO2 equivalent/Rupee | 0.000000058 | |
| Total Scope 3 emission intensity **(optional) – the relevant metric may be selected by the entity** | Metric tonnes of CO2 equivalent/Employee | 0.36 | |

**Note: Scope 3 emissions are calculated basis the data for waste generation only**

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No external review or independent analysis has been conducted to evaluate the Company's operations, performance, or compliance with applicable standards and regulations.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The Company is not currently operating in ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative ***(Web-link, if any, may be provided along-with summary)*** | Outcome of the initiative |
|---|---|---|---|
| 1 | Regular Maintenance Checks for DG Sets - Vizag | Scheduled A, B, and C category maintenance checks are conducted on diesel generators to ensure optimal performance, reduce diesel consumption, and enhance fuel efficiency. | Improved operational performance and reduced diesel usage, contributing to lower emissions. |
| 2 | Implementing the principles of the 3R's for waste management. | The Company ensures that all generated waste is disposed of in accordance with regulatory standards. Moreover, proactive measures are taken to recover, recycle, and internally reuse waste materials wherever feasible. For instance, treated effluent is recycled, contributing to a more sustainable water management system. Plastic waste generation has been curtailed through effective recycling practices. Additionally, the utilization of boiler ash in brick production demonstrates a commitment to maximizing resource efficiency. Furthermore, distillation residue finds beneficial reuse in cement kilns, showcasing the Company's dedication to implementing environmentally sound waste management strategies across various operational facets. | As a result of the Company's proactive waste management initiatives:<br>1. The Company has attained full compliance with legal regulations, ensuring responsible handling and disposal practices.<br>2. The Company's commitment to sustainability is evident through the decontamination and reuse of drums, minimizing waste and resource consumption.<br>3. Treated effluent is efficiently repurposed for process cooling towers and toilet flushing, leading to a significant reduction in fresh water usage, thereby conserving valuable natural resources.<br>4. Plastic waste is effectively decontaminated and reused for waste storage purposes, with the remaining portion responsibly directed to recycling facilities, aligning with our efforts to minimize environmental impact.<br>5. By diverting generated boiler ash to brick manufacturers, the Company contributes to circular economy principles, promoting the reuse of materials and reducing landfill burdens.<br>6. The Company harnesses energy from hazardous waste, not only minimising environmental risks but also recovering valuable resources to enhance operational efficiency.<br>Through these comprehensive waste management strategies, the Company not only alleviates the environmental burden but also drives cost savings by maximising the reuse and recovery of various materials within its processes. |

| Sr. No | Initiative undertaken | Details of the initiative *(Web-link, if any, may be provided along-with summary)* | Outcome of the initiative |
|---|---|---|---|
| 3 | Installation of Solar power plant - Mahad | Solar panels have been installed on the rooftop of the administrative area, with a capacity of 73.5 KW. From July 2023 to March 2024, these panels generated 45,040 KWH of energy, contributing to the site's sustainability efforts. | The installation of solar panels on the rooftop of the administrative area, with a capacity of 73.5 KW, has yielded impressive results. From July 2023 to March 2024, these panels generated 45,040 KWH of energy. This initiative substantially contributes to the site's sustainability efforts by reducing dependence on non-renewable energy sources and lowering overall energy costs. The use of solar power mitigates greenhouse gas emissions, thereby decreasing the carbon footprint and advancing the site's commitment to environmental sustainability and energy efficiency. This successful implementation not only demonstrates the viability of renewable energy solutions but also sets a precedent for future sustainability projects. |
| 4 | Use of VFDs for High HP Motors - Vizag | Variable Frequency Drives (VFDs) have been installed on high HP motors to allow energy-efficient speed control. | Significant energy savings and reduced electricity consumption. |
| 5. | Cooling Tower Fan Optimization - Vizag | Temperature-based interlocks have been integrated with cooling tower fan motors to ensure operation only when needed. | Energy conservation through optimized fan usage. |
| 6. | Upgrading to IE4 High-Efficiency Motors - Vizag | Replacing older and rewound motors with IE4 energy-efficient motors. | Reduced power losses and enhanced energy performance. |
| 7. | Steam Condensate Recovery - Vizag | Steam condensate from SRP is recovered, maintaining feed temp at ~45°C to reduce coal consumption. | Improved thermal efficiency and reduced fossil fuel usage. |
| 8. | Motion Sensor Lighting - Ambernath | Motion sensor lights installed in non-operational areas such as passages and outdoor spaces to reduce unnecessary usage. | Decreased electricity consumption and associated GHG emissions. |
| 9. | AC Temperature Optimization - Ambernath | 20 air conditioners set to operate between 23°C–24°C to balance comfort and energy savings. | Lowered energy consumption and support for GHG emission reduction. |
| 10. | Capacitor Installation for Power Factor Correction - Ambernath | Capacitors (1KVA/2KVA) installed in electrical panels to stabilize voltage and improve power factor. | Enhanced energy efficiency, reduced power loss, and optimized electricity demand. |
| 11. | Energy Conservation Awareness - Ambernath | Awareness posters and visual displays placed across the plant to promote electricity conservation among employees. | Positive behavioural change towards responsible energy usage and reduced carbon footprint. |
| 12. | Steam Line Servicing - Ambernath | Regular maintenance of steam lines to fix leakages and insulation issues for better performance. | Lower fuel consumption and reduction in GHG emissions from improved system efficiency. |

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has established a comprehensive Business Continuity Plan (BCP) covering its corporate offices and major manufacturing facilities. This plan has been developed through extensive consultations and brainstorming sessions involving all relevant stakeholders. It takes into account critical threats to business operations, which are identified as part of a broader risk and hazard assessment framework. In the event of a major emergency, the responsibility for implementing the BCP rests with the site heads of the respective units.

In addition to the BCP, the Company has also formulated Onsite Emergency Plans (OSEP). These plans are specifically designed to address emergencies, hazardous activities, and risks that fall within the operational scope of the organization and may not pose a direct threat to business continuity. Such incidents are comprehensively addressed within the OSEP to ensure a swift and effective response.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

The Company has recognized 13 suppliers that contribute to over 50% of its API business operations. Among these, 4 partners (30%) were assessed over the years based on criteria such as their impact on Environment, Health and Safety, and Sustainability. No significant negative impacts were found, and these partners were determined to be in compliance with the required statutory EHS standards.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company has identified 13 suppliers that account for more than 50% of its API business operations. Among these 13 value chain partners, 4 (30%) were evaluated over the years based on various parameters to assess their impact on Environment, Health and Safety, Sustainability, and other factors.

8. **How many Green Credits have been generated or procured[24] :**

   a. By the listed entity – NIL

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners – NIL

[24]The above disclosure is made as per the SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dt. 28th March 2025.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

## Essential Indicators

1.

a) Number of affiliations with trade and industry chambers/ associations.
The Company is affiliated with 7 trade and industry chambers/associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sr. No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1. | Pharmaceuticals Export Promotion Council of India (Pharmexcil) | National |
| 2. | Indian Merchant Chamber of Commerce (IMC) | National |
| 3. | Bombay Drug Manufacturer's Association | State |
| 4. | Bulk Drug Manufacturing Association, Hyderabad | State |
| 5. | Federation of Indian Export Organisations | National |
| 6. | Mahad Manufacturer's Association (MMA) | State |
| 7. | Jawaharlal Nehru Pharma City Association | State |

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

<table>
<tr><th>Name of authority</th><th>Brief of the case</th><th>Corrective active taken</th></tr>
<tr><td colspan="3">Not Applicable</td></tr>
</table>

## Leadership Indicators

1. Details of public policy positions advocated by the entity:

<table>
<tr><th>Sr. No</th><th>Public policy advocated</th><th>Method resorted for such advocacy</th><th>Whether information available in public domain? (Yes/No)</th><th>Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)</th><th>Web Link, If available</th></tr>
<tr><td colspan="6">The Company engages with industry associations to drive sectoral advancement and promote public welfare. It complies with a Code of Conduct Policy to ensure adherence to the highest ethical standards in its engagements with trade associations and industry bodies, fostering responsible and transparent business practices.</td></tr>
</table>

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

## Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and Brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web Link |
|---|---|---|---|---|---|
| As there are no projects subject to Social Impact Assessments, this requirement is not applicable to the Company. | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | 5 of PAFs covered by R&R | Amounts paid to PAFs in the FY (in ₹) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

Grievances or concerns from the community can be communicated through the 'Contact Us' section on the Company's official website, where the necessary contact information is provided to ensure timely and appropriate redressal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:[25]

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 44% | 36% |
| Directly from within India | 96% | 87% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost[26]

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Rural | 0.00 | 0.00 |
| Semi-Urban | 44.50 | 46.66 |
| Urban | 55.50 | 53.34 |
| Metropolitan | 0.00 | 0.00 |

[25]The above calculations are in accordance with Part B, Attribute 7 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[26]The above calculations are in accordance with Part B, Attribute 7 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not Applicable | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No | State | Aspirational District | Amount spent (₹ in Mn) |
|---|---|---|---|
| Not applicable, as the Company was not required to incur CSR expenditure during the reporting year in accordance with the criteria specified under Section 135 of the Companies Act, 2013. | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   The Company does not have a preferential procurement policy in place.

   (b) From which marginalized /vulnerable groups do you procure?

   The Company does not procure from any identified marginalized/ vulnerable groups

   (c) What percentage of total procurement (by value) does it constitute?

   NIL as the Company does not procure from any identified marginalized/ vulnerable groups

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/ No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| Not Applicable | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the case | Corrective Action taken |
|---|---|---|
| Not Applicable | | |

6. Details of beneficiaries of CSR Projects:

| S. No | CSR Project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| Not applicable, as the Company was not required to incur CSR expenditure during the reporting year in accordance with the criteria specified under Section 135 of the Companies Act, 2013. | | | |

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company prioritises addressing customer complaints with transparency and a strong emphasis on resolution. The Company's consumer policies are rigorously enforced to ensure that complaints from both B2B and B2C segments are handled promptly and effectively. The Company has established comprehensive mechanisms to receive, evaluate, and respond to feedback, ensuring an efficient and satisfactory resolution process. This approach involves a structured feedback loop, including dedicated support channels, issue-tracking systems, and timely follow-ups, ensuring continuous improvement in customer satisfaction and service quality.

2. **Turnover of products/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Not Applicable as the Company's product is not required to carry this information |
| Safe and responsible usage | 100.00 |
| Recycling and/or safe disposal | Not Applicable as the Company's product is not required to carry this information |

3. **Number of consumer complaints in respect of the following:**

| Category | FY 2024-25 | | Remarks | FY 2023-24 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the Year | Pending resolution at end of year | | Received during the Year | Pending resolution at end of year | |
| Data Privacy | NIL | NIL | NA | NIL | NIL | NA |
| Advertising | NIL | NIL | NA | NIL | NIL | NA |
| Cyber-security | NIL | NIL | NA | NIL | NIL | NA |
| Delivery of essential services | NIL | NIL | NA | NIL | NIL | NA |
| Restrictive Trade Practices | NIL | NIL | NA | NIL | NIL | NA |
| Unfair Trade Practices | NIL | NIL | NA | NIL | NIL | NA |
| Other | NIL | NIL | NA | NIL | NIL | NA |
| **Total** | **NIL** | **NIL** | **NA** | **NIL** | **NIL** | **NA** |

4. **Details of instances of product recalls on account of safety issues:**

| S. No | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

   Yes, the Company has established a comprehensive policy to manage cybersecurity and mitigate data privacy risks. This policy is readily available to all employees through the Company's internal intranet, ensuring accessibility and clear guidance for maintaining secure data practices across the organization.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

7. **Provide the following information relating to data breaches:**

    a. Number of instances of data breaches

    NIL, there have not been any such instances during the reporting period

    b. Percentage of data breaches involving personally identifiable information of customers[27]

    NIL, there have not been any such instances during the reporting period

    c. Impact, if any, of the data breaches

    Not Applicable

## Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

    Customers can find detailed product information, including composition, dosage instructions, storage guidelines, safety precautions, and cautionary notes, on the website http://www.alivira.co/ and https://sequent.in/.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

    Product packaging includes all essential usage information for the product.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

    Customers can find detailed product information on the website http://www.alivira.co/ and https://sequent.in/, including information on product composition, dosage instructions, storage recommendations, safety measures, and important warnings.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

    The Company offers all the legally required information about its products on its website.

**Abbreviations used [28]**

| Sr. No. | Particulars |
|---|---|
| 1. | ESG: Environmental, Social and Governance |
| 2. | SDG: Sustainable Development Goals |
| 3. | IFRS S1: International Financial Reporting Standard |
| 4. | GRI: Global Reporting Initiative |
| 5. | SEBI: Securities and Exchange Board of India |
| 6. | BRSR: Business Responsibility & Sustainability Reporting |
| 7. | ISSB : International Sustainability Standards Board |

[27]The above calculations are in accordance with Part B, Attribute 8 of the Industry Standards Note (December 2024) on the Business Responsibility and Sustainability Report (BRSR) Core, jointly issued by ASSOCHAM, CII, and FICCI, pursuant to Regulation 34(2) of the SEBI (LODR) Regulations, 2015, and as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122.

[28] Global Reporting Initiative, GRIR and logo and GRI Sustainability Reporting Standards (GRI Standards) and logo are Intellectual Property of Stichting Global Reporting Initiative. The ISSBR and IFRSR are registered trademarks of the IFRS Foundation. SDG Logo, the SDG Wheel and any of the 17 UNSDG icons are Intellectual Property of United Nations.

# Board's Report

**Dear Members,**

The Board of Directors are pleased to present the Company's Fortieth Annual Report along with the Company's Audited Financial Statements for the financial year ended March 31, 2025.

## 1. Financial Summary

The summarized financial performance of your Company for Financial Year 2024-25 is given below:

(₹ in millions)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Revenue from operations | 1,782.57 | 1,685.18 | 15,513.70 | 13,697.31 |
| Other Income | 509.37 | 459.80 | 146.86 | 109.57 |
| Profit/ (Loss) before interest, depreciation and tax | 395.54 | 193.16 | 1,764.84 | 723.71 |
| Less: Finance costs | 39.60 | 43.61 | 607.51 | 480.86 |
| Less: Depreciation and amortisation expenses | 86.65 | 89.40 | 664.51 | 615.40 |
| **Profit/(Loss) before exceptional items and tax** | 269.29 | 60.15 | 492.82 | (372.55) |
| Exceptional items | (48.81) | (62.54) | (49.76) | (173.91) |
| **Profit/(Loss) before tax (after exceptional items)** | 220.48 | (2.39) | 443.06 | (546.46) |
| Tax expense / (Credit) - Current Tax | 38.83 | - | 407.18 | 144.83 |
| - Deferred tax | 23.71 | (13.20) | (288.41) | (389.82) |
| - Current tax of prior period (reversed) / provided | - | 4.59 | 1.70 | (5.34) |
| **Profit/(Loss) after tax** | 157.94 | 6.22 | 322.59 | (296.13) |
| **Net Profit for the year attributable to:** | | | | |
| Owners of the Company | 157.94 | 6.22 | 218.78 | (358.69) |
| Non-controlling interest | - | - | 103.81 | 62.56 |

## 2. Business Performance Review

For FY 2024-25 (FY25), on a Consolidated basis, your Company's revenues stood at ₹ 15,513.70 Million as against ₹ 13,697.31 Million in FY 2023-24 (FY24) registering growth of 13.26 % over the previous year. The Company posted profit after tax of ₹ 322.59 Million in FY25 as against loss after tax of ₹ (296.13) Million in FY24.

On a Standalone basis, your Company's revenues for FY25 stood at ₹ 1,782.57 Million as against ₹ 1,685.18 Million in FY24. The Company posted a profit after tax of ₹ 157.94 Million in the FY25 as against profit after tax of ₹ 6.22 Million in the FY24.

Management Discussion and Analysis Report, which forms part of the Board's Report, details the Company's operational and financial performance for the year under review.

**Business Overview**

### Formulations

**Expanding Our Global Footprint:** Our Spanish manufacturing plant received Turkish GMP approval, allowing Turkish sales team to cross-leverage portfolio for productivity enhancement.

**Phyto-solutions Line:** Our Phyto-solutions range, nutritional bio-actives based on essential oils for industrial markets in swine and poultry, maintained its growing trend especially in markets where we have direct market access (Europe, Brazil and Mexico). We are now entering FY26 with a reinforced team to better structure this activity especially on technical support for our customers.

**Entry into new business segments:** As part of efforts to build-up presence in a new segment, we are pleased to share that we started distributing vaccines for Syva in Benelux.

**Expanding reach:** The Company ramped up presence in India by means of increasing its field force by ~40 individuals for greater penetration across the country.

**Building up injectables capability:** The Company's Turkish injectables manufacturing facility has EUGMP approval and plans to leverage this site as an export base is progressing well. The focus from hereon will be on getting additional product regulatory approvals for which we redirected resources towards this high value segments. The launch of Tulaject, a Tuathromycin based injectable from Turkey was a testament of our efforts in this regard.

API

**Market Expansion:** Strategic efforts to broaden our presence in key markets, such as Japan, have yielded successful outcomes, strengthening our global footprint.

**Expanding portfolio with existing partners:** We deepened our business commitment with Top-10 customers and thereby increasing business contribution from 51% to 54%.

**Safety-first Approach:** Vizag site was awarded CII Safety Leadership Gold; scored 98.5 (A+) from AP Safety Board. Mahad site was recognized for Health and Occupation safety, at National Safety Council of India.

**Increased Cost Competitiveness:** We enhanced our cost competitiveness in the price-sensitive emerging markets and implemented a systematic cost reduction programme which helped us cut prices of some key products and thereby increasing marketability.

## 3. Dividend

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the Company's dividend distribution policy, have decided that it would be prudent not to recommend any Dividend for the year under review.

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company has formulated a Dividend Distribution Policy which ensures an appropriate balance between rewarding its Shareholders and retaining enough capital for the Company's future growth. This Policy is available on the Company's website at https://sequent.in/wp-content/pdf/policies/Sequent_Dividend_Distribution_Policy.pdf

## 4. Transfer to Reserves

The Board of Directors of your Company have decided not to transfer any amount to the Reserves for the year ended March 31, 2025.

## 5. Share Capital

As on March 31, 2025, the Authorized Share Capital of the Company was ₹80,00,00,000 divided into 40,00,00,000 equity shares of ₹2 each.

The issued, subscribed and paid-up equity share capital of the Company as on March 31, 2025, was ₹50,06,03,990 divided into 25,03,01,995 equity shares of ₹2 each. During the year, the Company allotted 8,68,500 equity shares of ₹2 each pursuant to the exercise of options in terms of the Sequent Scientific Limited Employees Stock Option Plan 2020 of the Company.

During the year under review, the Company has not issued any shares with differential voting rights or sweat equity or warrants.

As on March 31, 2025, none of the Directors of the Company held instruments convertible into equity shares of the Company.

## 6. Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and the provisions of the SEBI Listing Regulations, the Audited Consolidated Financial Statements forms an integral part of this Annual Report.

## 7. Subsidiaries, Associates and Joint Ventures Companies

As on March 31, 2025, your Company has 19 (Nineteen) Subsidiaries, out of which 15 are wholly owned Subsidiaries. Your Company does not have any Joint Ventures or Associate Companies.

During the FY25, there was no change in the direct Subsidiaries of the Company. Following are the changes in step-down subsidiaries during FY25:

| Name of the Subsidiary | Country | Changes during the year |
|---|---|---|
| N-Vet AB | Sweden | Increased holding from 96.10% to 100% w.e.f. November 22, 2024 |
| Alivira Italia SRL | Italy | Increased holding from 95% to 100% w.e.f. November 22, 2024 |

## 8. Scheme of Amalgamation

During the year under review, the Board of Directors of the Company, at their meeting held on September 26, 2024, after considering the respective recommendations of the Audit Committee and the Committee of Independent Directors, approved a Composite Scheme of Amalgamation ("Scheme") for the merger of Viyash Life Sciences Private Limited ("Viyash") and its group companies (listed below) ("Viyash Group Entities") and Sequent Research Limited ("SRL"), a wholly owned subsidiary of the Company with the Company, under Sections 230 to 232 and other applicable provisions of the Act.

**Viyash Group Entities**

1. Symed Labs Limited
2. Vandana Life Sciences Private Limited
3. Appcure Labs Private Limited
4. Vindhya Pharma (India) Private Limited
5. S.V. Labs Private Limited
6. Vindhya Organics Private Limited
7. Geninn Life Sciences Private Limited

Competition Commission of India vide its letter no. Comb Reg. No. C-2024/12/1218 dated January 21, 2025, has approved the Scheme which is also available on the Company's website and can be accessed at www.sequent.in. The Company is awaiting further statutory approvals for the said Scheme.

## 9. Accounts/ Performance of Subsidiaries

In accordance with the provisions of Section 129(3) of the Act read with the Rules made thereunder, a statement providing details of performance and the financial position of the subsidiaries is given in the prescribed Form AOC-1 attached as an "**Annexure 1**" forming part of this Report.

Further, in accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein Audited Standalone and the Consolidated Financial Statements of the Company and the Audited Financial Statements of each of the Subsidiary Companies have been placed on the website of the Company at https://sequent.in/investor-relation/

For the FY 2024-25, the following were the material unlisted subsidiaries of the Company:

1. Alivira Animal Health Limited, India
2. Alivira Animal Health Limited, Ireland
3. Laboratorios Karizoo, Spain
4. Alivira Saude Animal Ltda, Brazil

The Company has formulated a Policy for determination of Material Subsidiaries. The said Policy is available on the Company's website and can be accessed at https://sequent.in/wp-content/uploads/2025/02/4.-Policy-on-Determination-of-Material-Subsidiaries.pdf

## 10. Annual Return

Pursuant to Sections 92 and 134 of the Act, and the Rules made thereunder, the Annual Return of your Company as on March 31, 2025 is available on the Company's website and can be accessed at https://sequent.in/investor-relation/

## 11. Credit Rating

As on the date of this Report, the credit rating assigned by India Ratings & Research (Fitch Group) is "IND A" with Positive outlook (revised from "IND A" with negative outlook) for long-term bank facilities of the Company. The said ratings signify a high degree of safety regarding the timely servicing of financial obligations.

Further, India Ratings & Research (Fitch Group) reaffirmed the rating as "IND A1" for the Company's short-term bank facilities, which signifies strong safety regarding timely payment of financial obligations and carry the lowest credit risk.

## 12. Public Deposit

During the year under review, your Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Act read with Rules framed thereunder.

## 13. Directors & Key Managerial Personnel

As on March 31, 2025, the Board comprises of 9 (Nine) Directors out of which 2 (Two) Directors are Executive, 3 (Three) Directors are Non-Executive Independent including one Woman Director and 4 (Four) Directors are Non- Executive Non-Independent. All Directors are competent and experienced personalities in their respective fields. The Board is Chaired by Dr. Kamal Sharma, Independent Director of the Company.

The following changes took place in the Board of Directors of the Company during FY25:

- Mr. Vedprakash Ragate (DIN: 10578409) was appointed as an Additional Director designated as Whole-Time Director of the Company w.e.f April 17, 2024. Subsequently, the Members of the Company approved the said appointment through postal ballot vide Ordinary resolution passed on July 12, 2024.
- Mr. Sharat Pandurang Narasapur (DIN: 02808651) stepped down as Joint Managing Director of the Company w.e.f. April 30, 2024, due to personal reasons. There was no other material reason for his resignation except as stated. The Board placed on record its appreciation for the contributions made by Mr. Narasapur during his tenure as Joint Managing Director.
- Dr. Fabian Kausche (DIN: 08976500) was appointed as a Director retiring by rotation of the Company at the Annual General Meeting held on September 17, 2024.
- Dr. Kausalya Santhanam (DIN: 06999168) ceased to be an Independent Director of the Company w.e.f. October 27, 2024, due to the completion of two consecutive terms of five years, serving as an Independent Director to the Company. The Board placed on record its appreciation for the contributions made by Ms. Santhanam during her tenure as an Independent Director.
- Ms. Revati Parag Kasture (DIN: 07558973) was appointed as an Independent Director of the Company w.e.f. December 17, 2024, upto December 16, 2029 (both days inclusive). Subsequently, the Members of the Company have approved her appointment as an Independent Director of the Company through Postal Ballot on February 19, 2025. The Board of Directors of the Company are of the opinion that Ms. Revati Parag Kasture, has the integrity, expertise and experience (including requisite proficiency) to be appointed as an Independent Director of the Company.

Mr. Rajaram Narayanan, Managing Director and CEO and Mr. Neeraj Bharadwaj, Non-Executive Director of the Company, are liable to retire by rotation at the forthcoming Annual General Meeting and have offered themselves for the re-appointment. Based on their performance, experience and expertise, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, recommends the appointment of Mr. Rajaram Narayanan and Mr. Neeraj Bharadwaj, as the Director liable to retire by rotation at the forthcoming Annual General Meeting.

All the Directors have also affirmed that they have complied with the Company's Code of Business Conduct & Ethics. In terms of the requirements of the SEBI Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses, which are detailed in the Report on Corporate Governance.

The Company has received declarations from all the Independent Directors of the Company confirming that:

a) They meet the criteria of independence prescribed under the Act and the Listing Regulations; and

b) They have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs.

As per the provisions of Section 203 of the Act, Mr. Rajaram Narayanan, Managing Director and CEO, Mr. Vedprakash Ragate, Whole-time Director, Mr. Saurav Bhala, Chief Financial Officer and Ms. Yoshita Vora, Company Secretary, are the Key Managerial Personnel of the Company as on March 31, 2025. Mr. Phillip Trott stepped down as the Company Secretary and Compliance Officer of the Company w.e.f. December 16, 2024. He continues to be associated with the Company in his other roles. Ms. Yoshita Vora was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. December 17, 2024.

## 14. Board Evaluation-

Pursuant to provisions of Schedule IV of the Act and Rules made thereunder and provisions of Listing Regulations, the Company had formulated a policy called 'SeQuent Board Performance Evaluation Policy' (the 'Policy') for performance evaluation of the Board, its Committees, Chairperson of the Board, and other individual Directors (including Independent Directors). Based on the criteria mentioned in the Policy, your Company has prepared a questionnaire to carry out the performance evaluation of the Board, its Committees, Chairperson of the Board, and other individual Directors (including Independent Directors) on an annual basis. The questionnaire is structured to embed various parameters based on which the performance can be evaluated. Based on these criteria, the Board carried out annual performance evaluation of the Board, its Committees, Chairperson of the Board, and Individual Directors (including Independent Directors). The Independent Directors carried out annual performance evaluation of the Chairperson of the Board, the Non-independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. The results of the performance evaluation were sent to the Chairman of the Board and noted by the Board of Directors.

## 15. Meetings of The Board

During the year under review, 8 (Eight) Board Meetings were held on April 16, 2024, May 15, 2024, August 14, 2024, September 26, 2024, October 07, 2024, November 13, 2024, December 16, 2024 and February 11, 2025. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report for the financial year ended March 31, 2025, which forms an integral part of this Annual Report.

## 16. Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

Pursuant to Section 178 of the Act, Nomination and Remuneration Committee has formulated "SeQuent's Policy on Director's Appointment and Remuneration" which deals inter-alia with appointment and remuneration of Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. The said policy is uploaded on the website of the Company and can be accessed at: https://sequent.in/wp-content/pdf/policies/Sequent%E2%80%99s%20Policy%20on%20Director%E2%80%99s%20Appointment%20and%20Remuneration.pdf

The salient features of the policy are as under:

- NRC to identify people who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to guide the Board in relation to the appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to evaluate the performance of the Members of the Board including Independent Directors to provide necessary information/ report to the Board for further evaluation.
- NRC to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- 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 Directors, Key Managerial Personnel and Senior Management Personnel of the Company and to regularly review the plan.

The details relating to remuneration of Directors are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

## 17. Committees of The Board

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of the Committees along with their composition, number and dates of the Meetings and attendance at the Meetings are provided in the Corporate Governance Report which forms an integral part of this Annual Report. There has been no instance where suggestions of the Committees have not been accepted by the Board.

## 18. Auditors and Auditors Report

**Statutory Auditors**

In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting held on September 17, 2024, M/s. SRBC & CO LLP, Chartered Accountants (Firm Registration No. 324982E/ E300003) were appointed as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 39th Annual General Meeting (AGM) till the conclusion of 44th AGM.

The Independent Auditors' Report on Standalone and Consolidated Financial Statements for the year ended March 31, 2025, forms an integral part of this Annual Report and does not contain any qualifications, reservations, adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Act.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act, read with the Rules thereunder, the Board had appointed M/s. Nilesh Shah & Associates, Practicing Company Secretary (Firm Registration No: P2003MH008800) to conduct Secretarial Audit of the Company for the year ended March 31, 2025, and its unlisted material subsidiary, Alivira Animal Health Limited ("Alivira").

The Secretarial Audit Report for the Company, issued in Form No. MR-3, is attached to this Board's Report as "**Annexure 2A**" and the Secretarial Audit Report of Alivira is attached as "**Annexure 2B**" respectively. The comments made by the Secretarial Auditors are self-explanatory.

Pursuant to Regulation 24A of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the Annual Secretarial Compliance Report of the Company is uploaded on the website of the Company at : https://sequent.in/wp-content/uploads/2025/05/SEBI-Compliance-Report-24-A-Reportsigned.pdf

SEBI vide Notification No. SEBI/LAD-NRO/GN/2024/218 dated December 12, 2024, had introduced SEBI LODR (Third Amendment) Regulations, 2024, wherein detailed norms governing the appointment, re-appointment, continuation and removal of secretarial auditors in listed entities, effective from April 1, 2025, had been given.

Given the regulatory changes, the Board of Directors of the Company on recommendation of the Audit Committee, have approved and proposed the appointment of M/s. BMP & Co LLP (Firm Registration Number: L2017KR003200) as the Secretarial Auditors of the Company for a term of 5 consecutive financial years w.e.f. FY 2025-26 to FY 2029-30, subject to approval of shareholders at the ensuing Annual General Meeting.

The brief profile of M/s. BMP & Co LLP forms part of the Notice convening the Annual General Meeting. M/s. BMP & Co LLP have confirmed they are not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria.

**Cost Auditors**

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain the cost accounts and cost records which have been duly maintained. The Board of Directors, on the recommendation of Audit Committee, have re-appointed M/s. Joshi Apte & Associates, Practicing Cost Accountants, (Firm Registration Number: 000240) as the Cost Auditors of the Company for the financial year 2025-26. In compliance with the requirements of the Act, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification. M/s. Joshi Apte & Associates, have confirmed that they are not disqualified from being appointed as the Cost Auditors of the Company and satisfy the prescribed eligibility criteria.

The Cost Audit Report for the FY24 has been duly filed and it does not contain any qualification, reservation or adverse remark. During the year under review, the Cost Auditors have not reported any instances of fraud under Section 143(12) of the Act.

## 19. Segment

The Company operates only in a single segment, i.e. the Pharmaceuticals Segment.

## 20. Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as an "**Annexure 3**" and forms an integral part of this Annual Report.

In accordance with the provisions of Section 197(12) of the Act read with the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report.

In terms of Section 136 of the Act, 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 investorrelations@sequent.in

## 21. Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177(9) of the Act and the SEBI Listing Regulations, the Company has established Vigil Mechanism and a Whistle Blower Policy, for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. It also provides adequate safeguards against the victimization of employees who avail this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle blower policy can be accessed at https://sequent.in/wp-content/pdf/policies/Whistle%20Blower%20Policy.pdf

## 22. Particulars of Loans, Guarantees and Investments

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in Notes to the Financial Statements in the Annual Report.

## 23. Related Party Transactions

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. All Related Party Transactions ("RPTs") are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for RPTs which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length.

There were no material contracts/arrangements/transactions entered with related parties as required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Further, there were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

In the line with the requirements of the Act and the SEBI Listing Regulations, the Company has adopted the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions and the same can be accessed at https://sequent.in/wp-content/uploads/2025/02/4.-Policy-on-Determination-of-Material-Subsidiaries.pdf

Members may refer to Notes to Financial Statements which sets out related party disclosures as per applicable accounting standards.

## 24. Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee comprises of Dr. Kamal Sharma, Independent Director, Mr. Rajaram Narayanan, Managing Director and Chief Executive Officer and Mr. Vedprakash Ragate, Whole-Time Director as its Members. Your Company has a policy on CSR and the same can be accessed at https://sequent.in/wp-content/pdf/policies/Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf

The brief objectives as per the CSR policy includes the following:

- Uplift the communities around its areas of operation, thereby creating a positive impact on the community.
- Identify interventions to ensure sustainable social development after considering the immediate and long-term socio environmental requirements.

- Setting high standards of quality in providing interventions and support to meet the needs of the community.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as an '**Annexure 4**' and forms an integral part of this Annual report. Due to the negative average profit of the preceding three financial years, the Company has not incurred any expenditure on CSR activities for the financial year 2024-25.

## 25. Internal Financial Controls

Your Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested by Internal Auditors of the Company i.e. Grant Thornton Bharat LLP, Chartered Accountants, independently and no reportable material weakness in the design or operations was observed.

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

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

## 26. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Act, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state and confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2025, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025, and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the 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 fraud and other irregularities;
- the annual financial statements for the year ended March 31, 2025, have been prepared on a going concern basis;
- internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

## 27. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/ Outgo and Expenditure on Research & Development

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as an '**Annexure 5**' and forms an integral part of this Annual Report.

## 28. Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Complaint Committee(s) at various locations to redress and resolve any complaints arising under the POSH Act. Training/awareness programs are conducted throughout the year to create sensitivity towards ensuring a respectable workplace.

During the financial year 2024-25, no complaint pertaining to sexual harassment was received.

## 29. Corporate Governance Report

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, your Company has complied with the requirements of Corporate Governance. The report on Corporate Governance along with a certificate issued by M/s. Nilesh Shah & Associates, Practicing Company Secretaries and Secretarial Auditors of the Company, confirming compliance with Corporate Governance for the year ended March 31, 2025, forms an integral part of this Annual Report.

## 30. Business Responsibility and Sustainability Reporting

As stipulated under the SEBI Listing Regulations, the Business Responsibility and Sustainability Reporting ("BRSR") describing the initiatives taken by the Company from an Environmental, Social and Governance perspective forms an integral part of this Annual Report. BRSR is also available on the Company's website and can be accessed at www.sequent.in

## 31. Management Discussion and Analysis

Pursuant to Regulation 34 of the SEBI Listing Regulations, Management Discussion and Analysis containing Information *inter-alia* on industry trends, your Company's performance, outlook, opportunities, and threats for the year ended March 31, 2025, forms an integral part of this Annual Report.

## 32. Risk Management

Your Company has a risk management framework for identifying and managing risks. Additional details are provided in the 'Management Discussion and Analysis' Report provided in a separate section forming an integral part of this Annual Report.

The constitution of the Risk Management Committee and details of the meetings held are disclosed in the Corporate Governance Report for the financial year ended March 31, 2025, forming an integral part of this Annual Report.

## 33. Secretarial Standards

During the year under review, your Company has followed the applicable Secretarial Standards i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India, relating to 'Meetings of Board of Directors' and 'General Meetings' respectively.

## 34. Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, since the closure of the financial year ended March 31, 2025 up to the date of this Report, that would affect your Company's financial position.

## 35. 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 during the year under review which would impact the going concern status of your Company and its future operations.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and there was no instance of onetime settlement with any Bank or Financial Institution.

## 36. Employee Stock Option Scheme

The Company grants share-based benefits to eligible employees with a view to attract, retain and reward talent by providing opportunity to participate in the growth of the Company through owning equity shares. The Company has two Employee Stock Option Schemes as below:

(a) Sequent Scientific Limited Employees Stock Option Plan 2020 ("SeQuent ESOP 2020"):

Under the SeQuent ESOP 2020, 1,85,00,000 stock options are available for grant to eligible employees. Each option entitles the holder to apply for one equity share of the Company with a face value of ₹ 2 each. During FY25, 8,68,500 equity shares were allotted to eligible employees upon exercise of the options granted under the said scheme. The Company has obtained necessary approvals from time to time from the stock exchanges, i.e., BSE and NSE, in accordance with the SEBI Listing Regulations for the listing of shares allotted under the said scheme.

(b) Sequent Scientific Employee Stock Option Plan 2010 ("SeQuent ESOP 2010"):

Post introduction of SeQuent ESOP 2020, no further grants are being made under SeQuent ESOP 2010. As on March 31, 2025, no options have been vested under SeQuent ESOP 2010 and accordingly, no equity shares have been allotted under the said scheme during the year.

Both the above schemes are in compliance with applicable regulations and a certificate from M/s. Nilesh Shah & Associates., Practicing Company Secretaries, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing AGM for inspection by the Members and confirming that the scheme(s) has been implemented in accordance with the SEBI (SBEBS) Regulations.

The details as required to be disclosed under Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBS Regulations) is available on the website of the Company at: https://sequent.in/investor-relation/financial-overview/

## 37. Transfer of Equity Shares of the Company to the Investor Education and Protection Fund (IEPF) Account

During the year under review, an amount of ₹ 57,657/- representing unclaimed Interim Dividend of 2017, which had remained unpaid for a continuous period of seven years, was required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The said amount has since been transferred to the IEPF.

Further, the Company is in the process of transferring 19,650 equity shares, whose dividend has not been claimed for 7 consecutive years.

## 38. Acknowledgement

Your directors place on records their sincere gratitude and appreciation for the employees at all levels for their staunch dedication and highly motivated performance across the globe, which contributed greatly to the performance of the Company.

Your directors would like to sincerely thank all the stakeholders, medical professionals, business partners, customers, vendors, stock exchanges, Government & Regulatory Authorities, banks, financial institutions, analysts and shareholders for their continued assistance, co-operation, and support.

For and on Behalf of the Board of Directors
**Sequent Scientific Limited**

**Dr. Kamal Sharma**
Chairman
(DIN : 00209430)

Place: Thane
Date: May 20, 2025

# Annexure 1

## Form AOC 1

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

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

## PART A - SUBSIDIARIES

**Information relating to Subsidiaries of the Company as at March 31, 2025**

(₹ in million)

| Sl No. | Name of the Subsidiary | The date since when subsidiary was acquired/ incorporated | Country of incorporation | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting Currency | Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries | (a) Share Capital (Includes Monies pending allotment) | (b) Reserves & Surplus | (c ) Total Assets | (d) Total liabilities | ( e) Invest-ments | (f) Turnover | (g) Profit before taxation | (h) Provision for taxation | (i) Profit after taxation | (j) Proposed dividend | (k) % Share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Alivira Animal Health Limited, India | September 30, 2013 | India | NA | INR | 1.00 | 477.76 | 3,837.05 | 11,442.37 | 7,127.56 | 5,601.90 | 3,681.42 | -770.02 | -252.52 | -517.50 | - | 100.00% |
| 2 | SeQuent Research Limited | April 13, 2007 | India | NA | INR | 1.00 | 44.10 | 11.99 | 144.90 | 88.81 | - | 91.10 | -7.29 | -1.75 | -5.54 | - | 100.00% |
| 3 | Alivira Animal Health Limited, Ireland | September 1, 2014 | Ireland | NA | USD | 85.58 | 1,645.15 | 2,076.14 | 6,946.55 | 3,225.26 | 3,951.65 | 358.60 | 31.20 | - | 31.20 | - | 100.00% |
| 4 | Provet Veteriner Ürünleri San. Ve Tic. A. Ş. | September 9, 2014 | Turkey | NA | TRY | 2.25 | 15.76 | 496.74 | 1,622.14 | 1,109.64 | 60.57 | 1,608.12 | 214.06 | 52.66 | 161.40 | - | 100.00% |
| 5 | Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş. | December 11, 2015 | Turkey | NA | TRY | 2.25 | 7.88 | 236.36 | 668.69 | 424.44 | - | 995.87 | 158.54 | 36.63 | 121.91 | - | 100.00% |
| 6 | Fendigo SA | December 3, 2015 | Belgium | NA | Euro | 92.32 | 14.30 | 299.92 | 667.03 | 352.80 | - | 1,910.30 | 313.79 | 80.16 | 233.64 | - | 100.00% |
| 7 | Fendigo BV | December 3, 2015 | Netherland | NA | Euro | 92.32 | 2.77 | 47.67 | 61.14 | 10.70 | - | 172.96 | 105.32 | 26.01 | 79.31 | - | 100.00% |
| 8 | N-Vet AB | December 3, 2015 | Sweden | NA | SEK | 8.50 | 5.10 | 67.53 | 126.64 | 54.02 | - | 169.92 | 22.15 | 3.35 | 18.80 | - | 100.00% |
| 9 | Alviria Saude Animal Brasil Participacoes Ltda | June 10, 2016 | Brazil | NA | BRL | 14.97 | 14.72 | -291.48 | 767.28 | 1,044.05 | 723.62 | - | -198.98 | - | -198.98 | - | 100.00% |
| 10 | Alivira Saude Animal Ltda. (formerly known as Evance Saude Animal Ltda) | August 1, 2016 | Brazil | NA | BRL | 14.97 | 194.98 | -269.89 | 1,112.10 | 1,187.02 | - | 1,597.29 | -40.92 | -32.29 | -8.63 | - | 100.00% |
| 11 | Expeden Distribuidora De Produtos Veterinarios Ltda (formerly known as Evanvet Distribuidora De Produtos Veterinarios Ltda) | December 26, 2018 | Brazil | NA | BRL | 14.97 | 0.52 | 325.80 | 477.23 | 150.91 | - | 982.45 | 246.25 | 83.38 | 162.87 | - | 100.00% |

(₹ in million)

| Sl No. | Name of the Subsidiary | The date since when subsidiary was acquired/ incorporated | Country of incorporation | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting Currency | Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries | (a) Share Capital (Includes Monies pending allotment) | (b) Reserves & Surplus | (c ) Total Assets | (d) Total liabilities | ( e) Invest-ments | (f) Turnover | (g) Profit before taxation | (h) Provision for taxation | (i) Profit after taxation | (j) Proposed dividend | (k) % Share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12 | Vila Viña Participacions S.L. | July 1, 2016 | Spain | NA | EURO | 92.32 | 196.79 | 357.91 | 564.60 | 9.90 | 438.99 | 25.15 | 49.92 | 1.72 | 48.19 | - | 60.00% |
| 13 | Laboratorios Karizoo, S.A. | July 1, 2016 | Spain | NA | EURO | 92.32 | 32.94 | 1,189.60 | 2,683.32 | 1,460.78 | 23.06 | 4,089.26 | 186.95 | 36.96 | 149.99 | - | 60.00% |
| 14 | Laboratorios Karizoo, S.A. DE C.V. (Mexico) | July 1, 2016 | Mexico | NA | PESO | 4.17 | 25.49 | 62.47 | 238.97 | 151.02 | - | 461.01 | 4.57 | 7.25 | -2.69 | - | 60.00% |
| 15 | Phytotherapic Solutions S.L | July 1, 2016 | Spain | NA | EURO | 92.32 | 2.77 | 325.20 | 381.58 | 53.61 | - | 341.19 | 84.05 | 19.60 | 64.45 | - | 60.00% |
| 16 | Bremer Pharma GmbH | April 17, 2018 | Germany | NA | EURO | 92.32 | 67.40 | -1,155.05 | 81.97 | 1,169.62 | - | 73.06 | -73.68 | - | -73.68 | - | 100.00% |
| 17 | Alivira Italia S.R.L. | January 21, 2019 | Italy | NA | EURO | 92.32 | 9.23 | -25.02 | 103.40 | 119.19 | - | 124.01 | 1.87 | 0.43 | 1.45 | - | 100.00% |
| 18 | Alivira Animal Health USA LLC | March 30, 2020 | USA | NA | USD | 85.58 | 165.81 | -172.03 | 3.65 | 9.87 | - | - | -45.44 | - | -45.44 | - | 100.00% |
| 19 | Alivira Animal Health UK Ltd | April 29, 2020 | United Kingdom | NA | GBP | 110.74 | 1.67 | -4.58 | 0.21 | 3.13 | - | - | -1.00 | - | -1.00 | - | 100.00% |

**1 Names of subsidiaries which are yet to commence operations:**
Alivira Animal Health UK Ltd

**2 Names of subsidiaries which have been struck off from register of Registrar of Companies**
NA

**3 Name of Subsidiaries merged during the year**
NA

## PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2025

For and on behalf of the Board of Directors

Date: May 20, 2025
Place: Thane

**Rajaram Narayanan**
Managing Director & Chief Executive Officer

**Vedprakash Ragate**
Executive Director

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary

# Annexure 2A
# FORM NO. MR-3
# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

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

To
The Members,
**Sequent Scientific Limited**
3rd Floor, Srivallis Corporate,
Plot No. 290, SYN 33 34P TO 39,
Guttala Begumpet, Jubilee Hills,
Hyderabad, Shaikpet,
Telangana - 500033.

**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, 2025, generally 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, 2025, according to the provisions of:

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

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

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

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

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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 Requirements) Regulations, 2015 (SEBI LODR);

g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

a. The Drugs & Cosmetics Act, 1940;

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

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

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

We have verified systems and mechanism which are 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) applicable to the Company and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

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

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

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(ii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

Based on the above said information provided by the Company, we report that during the financial year, the Company has substantially 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 save and except following:

i) The Company did not had Women Director during the period October 28, 2024 to December 16, 2024 as required under regulation 17 of SEBI LODR Regulations. We have been informed that the Company was in search of suitable candidate.

ii) The composition of Stakeholders Relationship Committee was not as required under regulation 20 of SEBI LODR Regulations during the period October 28, 2024 to December 16, 2024 as the Company was under the process of reconstituting said committee.

iii) There was delay in transferring unpaid dividend amount and underlying shares to IEPF Regulations and

iv) There was delay in submitting proceedings of Annual General Meeting held on 17th September, 2024 under regulation 30 of SEBI LODR Regulations.

**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 save and except presence of Women Director as mentioned above. The changes in 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 the Board) and a reasonable system exists for Board Members seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

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 under review, there were no specific event / action that can have a major bearing on the Company's affairs.

Signature: sd/-
Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554 : C.P.: 2631

Date: 20.05.2025
Place: Mumbai
Peer Review No.: 6454/2025
UDIN: F004554G000391314

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

## Annexure A to Annexure 2A

To
The Members,
**Sequent Scientific Limited**
3rd Floor, Srivallis Corporate,
Plot No. 290, SYN 33 34P TO 39,
Guttala Begumpet, Jubilee Hills,
Hyderabad, Shaikpet,
Telangana - 500033.1.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature: sd/-
Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554 : C.P.: 2631

Date: 20.05.2025
Place: Mumbai
Peer Review No.: 6454/2025
UDIN: F004554G000391314

# Annexure 2B
# FORM NO. MR-3
# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

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

To
The Members,
**Alivira Animal Health 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 Alivira Animal Health 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, 2025, 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, 2025, according to the provisions of:

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

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

(iii) 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;

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

a. The Drugs & Cosmetics Act, 1940;

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

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

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

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

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

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

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

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

(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(v) 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;

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

(vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(viii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

(ix) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors 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 and short notice in case of urgency, 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 under review, there were no specific event / action that can have a major bearing on the Company's affairs.

Signature: sd/-
Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554 : C.P.: 2631

Date: 19.05.2025
Place: Mumbai
Peer Review No. 6454 / 2025
UDIN: F004554G000379731

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

## Annexure A to Annexure 2B

To
The Members,
**Alivira Animal Health Limited**
301, 3rd Floor, Dosti Pinnacle,
Plot No. E7, Road No. 22,
Wagle Industrial Estate,
Thane West – 400 604

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature: sd/-
Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554 : C.P.: 2631

Date: 19.05.2025
Place: Mumbai
Peer Review No. 6454 / 2025
UDIN: F004554G000379731

# Annexure 3

**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, 2025, and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the FY 2024-25:

| Sr No. | Name of Director | Designation | Ratio of remuneration to the median remuneration | % increase/ (decrease) in remuneration |
|---|---|---|---|---|
| **Independent Directors** | | | | |
| 1 | Dr. Kamal Sharma | Independent Director | 3.47 | N.A.[1] |
| 2 | Milind Sarwate | Independent Director | 4.52 | |
| 3 | Kausalya Santhanam | Independent Director | 1.04 | |
| 4 | Revati Kasture | Independent Director | - | |
| **Non- Executive Directors** | | | | |
| 5 | Neeraj Bharadwaj | Non-Executive Director | - | N.A.[2] |
| 6 | Dr. Fabian Kausch | Non-Executive Director | - | |
| 7 | Gregory Andrews | Non-Executive Director | - | |
| 8 | Dr. Haribabu Bodeputi | Non-Executive Director | - | |
| **Executive Directors and KMPs** | | | | |
| 9 | Rajaram Narayanan | Managing Director and CEO | 69.02 | 0.86 |
| 10 | Vedprakash Ragate[3] | Whole-time Director | - | - |
| 11 | Sharath Narasapur[4] | Jt. Managing Director | - | - |
| 12 | Saurav Bhala | Chief Financial Officer | N.A. | NA[5] |
| 13 | Phillip Trott | Company Secretary | N.A. | NA[6] |
| 14 | Yoshita Vora | Company Secretary | N.A. | NA[7] |

**Notes:**

1. Since no commission was paid in the previous year, the percentage increase/decrease in remuneration is not comparable.
2. The Non-Executive Directors (including Independent Directors) receive a sitting fee of ₹ 0.1 million for attending each meeting of the Board and the Committees. However, Mr. Neeraj Bharadwaj, being an employee of Promoter Group, did not draw any sitting fees or commission in FY 2024-25.
3. Appointed w.e.f. April 17, 2024. Mr. Vedprakash Ragate did not draw any remuneration from the Company during the year under review. He is also a Whole-time Director of Alivia Animal Health Limited ("AAHL"), Wholly Owned Subsidiary of the Company and draws remuneration from AAHL.
4. Mr. Sharat Narasapur resigned, w.e.f. April 30, 2024, and did not draw any remuneration from the Company during the year.
5. Appointed w.e.f. November 06, 2023, hence, percentage increase/decrease in remuneration is not comparable.
6. Resigned w.e.f. December 16, 2024, hence, percentage increase/decrease in remuneration is not comparable.
7. Appointed w.e.f. December 17, 2024, hence, percentage increase/decrease in remuneration is not comparable.

b. the percentage increase in the median remuneration of employees in the financial year: 11%

c. The number of permanent employees on the rolls of Company as on March 31, 2025: 358

d. 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: Total Increment is 10.04% for other than managerial personnel and for Managerial personnel increment is 13.09%

We affirm that the remuneration paid during the year 2024-25 is as per the Remuneration Policy of the Company.

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

**Dr. Kamal Sharma**
Chairman
(DIN : 00209430)

Place: Thane
Date: May 20, 2025

# Annexure 4

**ANNUAL REPORT ON CSR ACTIVITIES OF SEQUENT SCIENTIFIC LIMITED FOR FY 2024-25**

(Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014)

## 1. Brief outline on CSR Policy of the Company:

The Company's CSR Philosophy is to aid in development and support of communities in the areas where we operate and to ensure that the projects that we take up address the concerns of the economically marginalized members of society.

## 2. Composition of CSR Committee:

| Sl. No. | Name of the Members | Nature of Directorship | Number of Meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Dr. Kamal Sharma | Chairman | 1 | 1 |
| 2. | Mr. Rajaram Narayanan | Member | 1 | 1 |
| 3. | Mr. Vedprakash Ragate[1] | Member | 1 | 0 |
| 4. | Mr. Sharath Narasapur[2] | Member | 1 | N.A. |

**Notes:**

1. Mr. Vedprakash Ragate was inducted as a member of the Committee w.e.f. May 15, 2024.
2. Mr. Sharath Narasapur ceased to be a member of the Committee w.e.f. April 30, 2024.

## 3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The weblink is as below:

(a) Composition of CSR Committee: https://sequent.in/investor-relation/board-of-directors/

(b) CSR Policy: https://sequent.in/wp-content/pdf/policies/Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf

(c) CSR Projects: Not Applicable for the financial year 2024-25.

## 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: NA

**5.** (a) Average net profit of the Company as per section 135(5): ₹ **(13.23) Million**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **NA**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Nil**

(d) Amount required to be set-off for the financial year, if any: **Nil**

(e) Total CSR obligation for the financial year (5a+5b-5c): **Nil**

**6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)- **NIL**

(b) Amount spent in Administrative overheads: **Nil**

(c) Amount spent on Impact Assessment, if applicable: **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Nil**

(e) CSR amount spent or unspent for the Financial Year: **NA**

(f) Excess amount for set off, if any:

| Sl. No. | Particulars | Amount (₹ in Mn.) |
|---|---|---|
| 1. | Two percent of average net profit of the company as per section 135(5) | (0.26) |
| 2. | Total amount spent for the Financial Year | Nil |
| 3. | Excess amount spent for the financial year [(2)-(1)] | Nil |
| 4. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| 5. | Amount available for set off in succeeding financial years [(3)-(4)] | Nil |

**7.** Details of Unspent CSR amount for the preceding three financial years to current:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in The Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1. | 2023-24 | - | - | - | - | - | - | - |
| 2. | 2022-23 | - | - | - | - | - | - | - |
| 3. | 2021-22 | 1.56 Mn | - | 1.56 Mn | - | - | - | - |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA**

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

**Dr. Kamal Sharma**
Independent Director and
Chairman of CSR Committee
DIN: 00209430

**Rajaram Narayanan**
Managing Director & Chief
Executive Officer
DIN: 02977405

Place: Thane
Date: May 20, 2025

# ANNEXURE 5

**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 and Technology Absorption

Going green is a step taken towards sustainable development. We are proactively taking the green approach to make API manufacturing environmentally sound.

Our efforts to make our processes Green are focused on reduction of solvent usage, eliminating unit operations, recovery of unspent raw material, reducing quantity of raw material used and reduction in effluent generated.

A cross-functional team approach, with participation from R&D, Technical Support Division and Production has demonstrated encouraging results. We reckon that these approaches are not straightforward, they are complex, yet we undertake it for a positive impact on the environment.

### (i) Steps taken or impact on conservation of energy

Mahad:

(a) Energy Saving

- Installation of solar system of 73.6 KW and utilisation of power generated form the solar system. Project commissioned on July 2023. Total Energy generated through Solar from April 2024 to March 2025: - 58601 KWH.
- 4 Nos. Cooling tower fan controlled through temperature sensor and controller with temp 28 degree Celsius to start.
- Boiler steam Condensate recovery approx. 14 KL/d. (SRU, ATFD,P-2,P-3)

(b) Water Saving

- 2-3 KL ETP treated water reusing for Admin casual Toilets for flushing urinal and commodes. (Water Savings approx. 700 M3/year)
- 45-50 KL ETP treated water reuse for utility, SRU and MEE cooling tower as make up water (Water savings approx. 16500 M3/year)
- 10-12 KL PWS reject water reuse for utility cooling tower as make up water (Water savings approx. 3000 M3/year)
- Collection of warehouse and boiler roof rain water to use for boiler as feed water in rainy season

(c) Other initiatives

- Process time reduction: Hot water generation through heat exchanger for Plant1 ANF-102. Earlier system of ANF washing required 10 hrs approx. with hot water which is generated in 500 lit receiver and steam as heating media in jacket, Now the hot water generated through 10 SQM horizontal heat exchanger which is continuous system and at approx. 60 deg centi. where the process time save 6 hrs for each batch.
- Reduction of Solvent Vapor: - Installed 2 SQM heat exchanger to Hexane storage PESO tank vent line with chilled water as utility. Which condense the vapours and get back to storage tank. Same is u/installation for new PESO tanks.
- Solid Crude Diamine melted with steam water bath, process optimized & now received crude diamine in slurry form.

Vizag

(a) Waste: Usage of Waste as supplemental fuel to cement kiln: 175.88 Tonn/Annum

(b) Water:

- Reduction of Water Consumption by 614 KL (0.9%) by strengthening process, purified RO reject reuse into cooling towers.

- Reduction of 6 kl/day (2190 kl/year) of RO reject water recycle back into the cooling tower which is about 2-4% of total water consumption of colling towers.

(c) Refrigerant gases:

- The initiatives taken are arresting leakages, reducing breakdowns, increasing preventive maintenance.
- Optimization of operation of compressors with respect to monitoring of production operation and idle running hours of compressors
- Solvent Emission Control:
    - Installed process scrubber in PB2 to address emissions
    - Designed and installed acid scrubber in PB-1 with higher capacity for effective operation of scrubber performance to address emissions

(d) Energy reduction initiatives:

- Installation of temperature sensors to cooling towers (Utility process C/T, brine C/T, and SRU C/T)
- Temperature set point is installed in AHUs at 24-25℃ degree instead 19-20 degree to reduce energy load
- CWP-4401, Chilling plant temp. setting between 7-10℃ degree and there by saving of 15264 units per year.
- Also by adjusting time and temperature setting of Split AC's temp's at non-operating hours at Admin and canteen areas and there by energy saving due to auto switch off of AC's during non- man moment hours.
- Optimization of running hours of air compressors used for micronization by monitoring on non-peak load hours and there by saved of 10800 units Per year.
- VFD Installation – PB-2 350TR Chiller (PB-2 & Module-3) Secondary Pump Motor: Variable Frequency Drive (VFD) arranged, resulting in savings of approximately 200 units/day.
- Cooling Tower Sump Refurbishment – CT-102 & CT-103: Refurbishment work completed. Two pumps (20 HP and 40 HP) catering to the 350TR chiller have been stopped.
- VFD Installation – PB-1 -20 Brine Plant Secondary Pump Motor: VFD arranged, achieving savings of approximately 120 units/day.
- AHUs Shutdown – Warehouse Primary Packing Material Room: Air Handling Units stopped, resulting in savings of 110 units/day.
- Capacitor Bank Installation – PB-1 350TR +5 Chilling Plant: Capacitor banks arranged, leading to savings of 100 units/day.
- Timer Installation – Admin Toilets: Timers arranged to prevent operation during nighttime, saving approximately 50 units/day.
- Cooling Tower Fan Replacement – CT-102 & CT-103: Fans replaced with energy-efficient models, achieving savings of 50 units/day.
- Energy-Efficient Pump Installation – PB-1 Process Cooling Tower (CT-105): Installation is currently in progress.
- Energy-Efficient Pump Installation – SRS Cooling Towers (CT-601 & CT-602): Installation is currently in progress.
- Reactor Fume Hood Exhaust Blowers – Control Switches: On/Off switches with indicators to be arranged floor-wise in each module for better control and to avoid running during idle hours. Work has been completed, with estimated savings of 50 units/day.

(e) Coal: By arresting steam leakages and recycle of condensate water back into boiler, coal consumption reduced to 214.5 T/annum from previous year by 6.0%

(i) Capital Investment on energy conservation equipment

(ii) Steps taken by the Company for utilizing alternate sources of energy

Mahad

Waste:

- Reuse of waste: 550 Tonn/Annum generated Boiler ash sent to bricks manufacturer
- Improvisation of wastewater treatment facility (end-of-pipe): Recycling of ETP Treated Effluent: - 98% which is equal to 18705 KL ETP treated effluent recycled to process cooling tower, compared to previous year 92% (13519 kl).

## (b) Technology Absorption

**(i) Efforts made towards technology absorption & benefits derived:**

- Development of process for APIs from Lab, Kilo Lab and Pilot Plant Scale and at plant level for DMF filing and for commercial production with quality of API meeting as per ICH requirements.

**(ii) Process Optimization**

- Solvent recovery and recycling initiatives led to a significant reduction in fresh solvent consumption (up to 70%) while lowering effluent load across multiple processes.
- Process optimization efforts enabled elimination of certain stages, reducing effluent generation by up to 50% and completely avoiding specific waste streams.
- Circular reuse of process streams was implemented, allowing recovered materials to be reused in production, further reducing waste and resource consumption.

**(iii) Technology imported during the last three years reckoned from the beginning of the financial year :**

Nil

**(iv) The expenditure incurred on Research and Development**

During the financial year the Company has not undertaken Research and Development (R&D) activities. However, the Company carries out R&D activities through its subsidiaries. Hence the expenditure on R&D activities during the financial year 2024-25 is Nil.

## (c) Foreign Exchange Earnings and Outgo:

| PARTICULARS | FY 2024-2025 (₹ In Millions) |
|---|---|
| Foreign Currency earned | 465.88 |
| Foreign Currency used | 57.49 |

**For and on Behalf of the Board of Directors of**
**Sequent Scientific Limited**

**Dr. Kamal Sharma**
Chairman
(DIN: 00209430)

Date: May 20, 2025
Place: Thane

# 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 ("SEBI Listing Regulations") is set out below:

## 1. Company's philosophy on code of Governance

As we step into another year marked by growth and innovation, we reaffirm our commitment to governance as the cornerstone of our organizational culture and the compass guiding all our actions. Our philosophy revolves around the belief that governance isn't merely a set of regulatory requirements but a fundamental principle that shapes our interactions, decisions, and responsibilities. We recognise that strong governance practices are essential for maintaining trust among our stakeholders, driving sustainable progress, and protecting the long-term interests of our shareholders. Hence, we adopt a forward looking approach to governance, by continuously evaluating our policies, procedures, and structures to adapt to evolving business landscapes and stakeholder expectations.

We believe in fostering an environment where open communication, ethical behaviour, and sound decision-making are not just encouraged but ingrained in our corporate ethos. Conducting the operations with ethics and integrity is fundamental to the Company's philosophy and business ambitions.

## 2. Board of Directors ("Board")

**Composition of Board**

The Company's governance framework is anchored by its Board, which plays a pivotal role in providing strategic direction and oversight. The Board comprises of a well-balanced and diverse group of Executive and Non-Executive Directors with a majority comprising Non-Executive and Independent Directors. This composition ensures compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. All Directors are competent and experienced personalities in their respective fields. The Chairman of the Board is Dr. Kamal Sharma, Independent Director of the Company.

As on March 31, 2025, the Board comprises of 9 (Nine) Directors out of which 2 (Two) Directors are Executive, 3 (Three) Directors are Non-Executive Independent, including one Woman Independent Director and 4 (Four) Directors are Non-Executive Non-Independent.

Memberships or Chairmanships of the stipulated Board Committees held by all the Directors are within the limit specified under Regulation 26(1) of the SEBI Listing Regulations. Further, none of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Act. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under SEBI Listing Regulations.

During the FY 2024-25, the following changes took place in the Board of the Company:

- Mr. Vedprakash Ragate (DIN: 10578409) was appointed as Whole-Time Director (Executive Non-Independent) of the Company w.e.f. April 17, 2024, for a period of five years.
- Mr. Sharat Pandurang Narasapur (DIN: 02808651) resigned as a Joint Managing Director of the Company w.e.f. April 30, 2024, due to personal reasons.
- Dr. Kausalya Santhanam (DIN: 06999168) ceased to be an Independent Director of the Company w.e.f. October 27, 2024, due to completion of consecutive two terms of five years, serving as an Independent Director of the Company.
- Ms. Revati Parag Kasture (DIN: 07558973) was appointed as an Independent Woman Director of the Company w.e.f. December 17, 2024, for a term of five consecutive years.

The details of the Board as on March 31, 2025, and Memberships/Chairmanships in Committees are given below:

| Name of Director, DIN, Category of Directorship | No. of directorship and committee memberships / chairpersonship held in other Public companies | | | Directorships held in other listed companies | Category of Directorship |
|---|---|---|---|---|---|
| | Board | Committee Membership | Committee Chairmanship | Name | Category |
| **Independent Directors** | | | | | |
| Dr. Kamal Sharma [DIN: 00209430] | 4 | 3 | - | • Shilpa Medicare Limited | • Independent Director |
| Mr. Milind Sarwate [DIN: 00109854] | 7 | 8 | 5 | • CEAT Limited | • Independent Director |
| | | | | • Mahindra & Mahindra Financial Services Limited | • Independent Director |
| | | | | • Asian Paints Limited | • Independent Director |
| | | | | • FSN E-Commerce Ventures Limited | • Independent Director |
| | | | | • Hexaware Technologies Limited | • Independent Director |
| Ms. Revati Kasture [DIN: 07558973] | 2 | 2 | 1 | - | - |
| **Non-Executive Directors** | | | | | |
| Mr. Neeraj Bharadwaj [DIN: 01314963] | 6 | 1 | - | • Piramal Pharma Limited | • Non -Executive Director |
| | | | | • Hexaware Technologies Limited | • Non -Executive Director |
| Mr. Gregory Andrews [DIN: 08904518] | 1 | - | - | - | - |
| Dr. Fabian Kausche [DIN : 08976500] | 1 | - | - | - | - |
| Dr. Hari Babu Bodepudi [DIN: 01119687] | 2 | - | - | - | - |
| **Executive Directors** | | | | | |
| Mr. Rajaram Narayanan [DIN: 02977405} | 3 | 1 | - | - | - |
| Mr. Vedprakash Ragate [DIN: 10578409] | 3 | - | - | - | - |

**Notes:**

1. Number of Directorships held in other public companies excludes Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
2. Only Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies are considered.
3. Brief Profiles of each of above Directors are available on the Company's website.
4. Ms Kausalya Santhanam, Independent Director, ceased to be an Independent Director of the Company w.e.f October 28, 2024 on account of completion of second term as an Independent Director of the Company.
5. The Non-Executive Directors of the Company does not hold any shares or convertible instruments in the Company.

**Board Meetings held during the year:**

The meetings of the Board are held at regular intervals to deliberate and decide on business strategies and policies, review the financial performance of the Company and its subsidiaries, and consider other statutory matters requiring Board approval.

During the year under review, 8 (Eight) Board Meetings were held on April 16, 2024, May 15, 2024, August 14, 2024, September 26, 2024, October 07, 2024, November 13, 2024, December 16, 2024, and February 11, 2025.

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

The attendance of Directors at the Board meetings and the last Annual General Meeting is given below:

| Name of the Director | No. of Board Meetings held during the period in which the said Director was on Board | Attendance at the Board Meetings | Attendance at the last AGM held on September 17, 2024 |
|---|---|---|---|
| Dr. Kamal Sharma, Chairperson & Independent Director | 8 | 8 | Present |
| Mr. Milind Sarwate, Independent Director | 8 | 8 | Present |
| Dr. Kausalya Santhanam, Independent Director (Ceased to be a Director w.e.f. October 27, 2024) | 5 | 5 | Present |
| Revati Kasture, Independent Director (Appointed as Director on December 17, 2024) | 1 | 1 | NA |
| Mr. Neeraj Bharadwaj, Non-Executive Director | 8 | 8 | Absent |
| Mr. Gregory Andrews, Non-Executive Director | 8 | 8 | Present |
| Dr. Fabian Kausche, Non-Executive Director | 8 | 7 | Present |
| Mr. Hari Babu Bodepudi, Non-Executive Director | 8 | 6 | Present |
| Mr. Rajaram Narayanan Managing Director & CEO | 8 | 8 | Present |
| Mr. Sharat Narasapur, Joint Managing Director (Ceased to be a Director w.e.f. April 30, 2024) | 1 | 1 | NA |
| Vedprakash Ragate, Whole-Time Director (Appointed as Director on April 17, 2024) | 7 | 7 | Present |

**Inter-se relationship among Directors**

There is no inter-se relationship amongst any of the Directors of the Company during the year under review.

**Familiarisation programme for Directors**

As a part of its familiarisation programme, the Company provides its Board Members with necessary documents/ brochures, reports and internal policies to enable them to familiarise with Company's procedures and practices. One on one sessions with Senior Management are also arranged to provide brief about the Company's business operations and outlook. Additionally, Periodic presentations are made at the Board Meetings on Regulatory updates, Roles and responsibilities of a Director of the Company, updates on industry in which the Company operates and Business model of the Company.

The details on familiarisation programme are disclosed on the website of the Company at : Sequent-Familiarization-Programmes-for-Independent-Directors-24-25.pdf

**Skills/ Expertise/ Competencies of the Board**

The Board evaluates its composition to ensure that it has the appropriate mix of skills, experience, independence and knowledge to ensure its continued effectiveness. The Company has set out below the chart/matrix specifying the skills/expertise/competence of the Board of the Company along with names of directors who possesses such skills/expertise/competence. The details of skills and experience of each director is provided below:

Part A: Relating to Industry knowledge experience

- Pharmaceutical Industry Experience
- Global Regulatory Requirements
- Knowledge about Peer Companies
- Entrepreneurship
- Environment/ Sustainability/ Corporate Responsibility

### Part B: Relating to Technical Skills

- Strategy & Business Development
- Quality Assurance
- Finance, Accounting & Taxation
- Statutory / Regulatory Compliance
- Human Resources / Industrial Relations
- Risk Management & Mitigation
- Stakeholder Communication/ Investor Relations

**Mapping of above skills with the Directors:**

| Skill Set | Rajaram Narayanan | Vedprakash Ragate | Kamal Sharma | Milind Sarwate | Revati Kasture | Neeraj Bharadwaj | Hari Babu Bodepudi | Fabian Kausche | Gregory Andrews |
|---|---|---|---|---|---|---|---|---|---|
| Pharmaceutical Industry Experience | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ | ✓ |
| Global Regulatory Requirements | ✓ | ✓ | ✓ | X | ✓ | X | ✓ | ✓ | X |
| Knowledge about Peer Companies | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Entrepreneurship | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ | ✓ |
| Environment/ Sustainability/ Corporate Responsibility | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Strategy & Business Development | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Quality Assurance | ✓ | ✓ | ✓ | ✓ | X | X | ✓ | X | X |
| Finance, Accounting & Taxation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Statutory/ Regulatory Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | X |
| Human Resources/ Industrial Relations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X |
| Risk Management & Mitigation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X |
| Stakeholder Communication/ Investor Relations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

**Independence Confirmation**

During the year under review, all Independent Directors of the Company met the criteria of independence as specified in Section 149(6) of the Act and Rules framed thereunder as well as Regulation 16(1) of the SEBI Listing Regulations. Each Independent Director furnished a declaration of independence in pursuance of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations. The said declaration of independence was reviewed and taken on record by the Board and in the opinion of the Board, all the Independent Directors of the Company continue to meet the criteria of independence and all conditions specified in the SEBI Listing Regulations and remain independent of the management.

A formal letter of appointment as provided in the Act and SEBI Listing Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors are disclosed on the website of the Company i.e. https://sequent.in/wp-content/pdf/independent-director/Terms%20&%20Conditions%20of%20Independent%20Directors.pdf

## 3. Audit Committee

The Company has set up an Audit Committee of the Board, which is responsible for overseeing the financial reporting process and the effectiveness of internal control systems. The composition, quorum, powers, roles, and scope of the Committee are in compliance with Section 177 of the Act and Regulation 18, read with Part C of Schedule II of the SEBI Listing Regulations.

**Role and Terms of Reference of Audit Committee**

The Board has framed the terms of reference for Audit Committee for the purpose of effective compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee *inter-alia* performs the following functions:

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 auditors 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 Act.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Modified opinions in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document /prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
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 SEBI Listing Regulations.
    b. Annual Statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Regulations, 2015.
22. To review the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
23. To review management discussion and analysis of financial condition and results of operations;
24. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
25. To review internal audit reports relating to internal control weaknesses;
26. Appointment, removal and terms of remuneration of the chief internal auditor;
27. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
28. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Composition of Audit Committee, Meetings held and attendance during the year**

As on date, the Audit Committee has 4 (Four) Members consisting of 3 (Three) Non-Executive Independent Directors and 1 (One) Non-Executive Non-Independent Director. The Members of the Audit Committee as on March 31, 2025, are:

1. Mr. Milind Sarwate, Chairman, Independent Director
2. Dr. Kamal Sharma, Member, Independent Director
3. Ms. Revati Kasture, Member, Independent Director
4. Mr. Neeraj Bharadwaj, Member, Non-executive, Director

During the year, following changes took place in the composition of Audit Committee:

- Dr. Kausalya's 2nd term as an Independent Director ended on October 27, 2024, and hence she ceased to be a Director of the Company and the Member of Audit Committee.
- Ms. Revati Kasture, Independent Director was appointed as a Member of Audit Committee on December 23, 2024.

During the year ended March 31, 2025, 9 (Nine) Audit Committee Meetings were held on April 20, 2024, May 15, 2024, July 13, 2024, August 14, 2024, August 23, 2024, September 26, 2024, October 07, 2024, November 13, 2024, and February 11, 2025. The Company Secretary of the Company also acts as the Secretary to this Committee. The Chairperson for the Audit Committee was present at the last Annual General Meeting of the Company held on September 17, 2024. During the year under review, the representatives of the Statutory Auditors attended all the Audit Committee meetings, where Financial Results were approved.

Details of Members and Meetings attended by them during the financial year ended March 31, 2025, are as under:

| Name of the Member | Chairman / Member | Held during tenure | No. of Meetings attended |
|---|---|---|---|
| Mr. Milind Sarwate | Chairman | 9 | 9 |
| Dr. Kamal Sharma | Member | 9 | 8 |
| Mr. Neeraj Bharadwaj | Member | 9 | 6 |
| Dr. Kausalya Santhanam[1] | Member | 7 | 7 |
| Ms. Revati Kasture[2] | Member | 1 | 1 |

1. Ceased to be Member of the Committee w.e.f. October 27, 2024.
2. Appointed as a Member of the Committee w.e.f. December 23, 2024.

## 4. Nomination and Remuneration Committee ("NRC")

The NRC has been constituted in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

**Terms of reference of NRC**

The NRC *inter-alia* performs the following functions:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
5. Discussing and deciding on whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
6. To recommend to the board, all remuneration, in whatever form, payable to senior management.
7. NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

   For the purpose of identifying suitable candidates, NRC may:

   a) Use the services of an external agencies, if required.

   b) Consider candidates from a wide range of backgrounds, having due regard to diversity and

   c) Consider the time commitments of the candidates.

**Composition of NRC, Meetings held and attendance during the year**

As on date, the NRC Committee has 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Non-Executive Non-Independent Director. The Members of the NRC as on March 31, 2025, are:

1. Mr. Milind Sarwate, Chairman, Independent Director
2. Dr. Kamal Sharma, Member, Independent Director
3. Mr. Neeraj Bharadwaj, Member, Non-Executive Director

During the year ended March 31, 2025, 5 (Five) NRC Meetings were held on April 16, 2024, May 11, 2024, May 24, 2024, September 06, 2024, and December 16, 2024. The Company Secretary of the Company acts as the Secretary to this Committee.

Details of Members and Meetings attended by them during the financial year ended March 31, 2025:

| Name of the Member | Chairman / Member | Held during tenure | No. of Meetings attended |
|---|---|---|---|
| Mr. Milind Sarwate | Chairman | 5 | 5 |
| Dr. Kamal Sharma | Member | 5 | 5 |
| Mr. Neeraj Bharadwaj | Member | 5 | 5 |

**Performance Evaluation Criteria for Independent Directors**

The NRC has adopted a Performance Evaluation Criteria for Independent Directors. The criteria encompass several key parameters, including knowledge and competency, relevant experience, fulfilment of functions, ability to work as part of a team, initiative, availability and attendance, level of commitment, quality of contribution, integrity, and independence.

For details on evaluation of Directors, please refer report of Board of Directors which forms part of the Annual Report for FY 2024-25.

## 5. Stakeholders Relationship Committee ("SRC")

The SRC has been constituted in accordance with Section 178 (5) of the Act and Regulation 20 of the SEBI Listing Regulations.

**Terms of Reference:**

The SRC *inter-alia* performs the following functions:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. To review measures taken for effective exercise of voting rights by the shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**Composition of SRC, Meetings held and attendance during the year**

As on March 31, 2025, the SRC has 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Executive Director of the Company. The Members of the Committee as on March 31, 2025, are as under:

1. Ms. Revati Kasture, Chairperson, Independent Director
2. Mr. Milind Sarwate, Member, Independent Director
3. Mr. Rajaram Narayanan, Member, Managing Director & CEO

During the year, following changes took place in the composition of SRC:

- Dr. Kausalya's 2nd term as an Independent Director ended on October 27, 2024, and hence she ceased to be a Director of the Company and the Chairperson of SRC.
- Ms. Revati Kasture, Independent Director was appointed in SRC on December 23, 2024.

During the year ended March 31, 2025, 1 (One) SRC Meeting was held on March 19, 2025. The Chairperson of the SRC was present at the last Annual General Meeting of the Company held on September 17, 2024.

Details of Members and Meetings attended by them during the financial year ended March 31, 2025:

| Name of the Member | Chairperson / Member | Held during tenure | No. of Meetings attended |
|---|---|---|---|
| Ms. Revati Kasture[1] | Chairperson | 1 | 1 |
| Mr. Milind Sarwate | Member | 1 | 1 |
| Mr. Rajaram Narayanan | Member | 1 | 1 |
| Ms. Kausalya Santhanam[2] | Member | - | - |

1. Appointed as a Member of the Committee w.e.f. December 23, 2024.
2. Ceased to be Member of the Committee w.e.f. October 27, 2024.

The Company Secretary of the Company, Ms. Yoshita Vora acts as the Secretary to this Committee and is also designated as the Compliance officer as per requirements of the SEBI Listing Regulations.

**Shareholder's Complaint details**: Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. It is to be noted that, during the year ended March 31, 2025, no complaints were received from Shareholders of the Company.

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

## 6. Corporate Social Responsibility ("CSR") Committee

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Act and the Companies (CSR Policy) Rules, 2014.

**Terms of Reference**

The CSR Committee *inter-alia* performs the following functions:

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company and amendments to the policy as and when required.
2. Regular monitoring and implementation of CSR Policy.
3. Identify Key initiatives pursuant to the CSR Policy.
4. Recommend to the Board the CSR expenditure to be incurred.
5. Identify and recommend ongoing projects to the Board.

The Company has formulated CSR Policy and the said policy is uploaded on the website of the Company viz., Policies and Subsidiary Financials - SeQuent

**Composition of CSR, Meetings held and attendance during the year**

As on March 31, 2025, the CSR Committee has 3 (Three) Members consisting of 2 (Two) Executive Directors and 1 (One) Non-Executive Independent Director of the Company. The following are the Members of the Committee as on March 31, 2025:

1. Dr. Kamal Sharma, Chairman, Independent Director
2. Mr. Rajaram Narayanan, Member, Managing Director & CEO
3. Mr. Vedprakash Ragate, Member, Whole-Time Director

During the financial year ended March 31, 2025, 1 (One) CSR Committee Meeting was held on March 24, 2025.

Details of Members and Meetings attended by them during the financial year ended March 31, 2025:

| Name of the Member | Chairman / Member | Held during tenure | No. of Meetings attended |
|---|---|---|---|
| Dr. Kamal Sharma | Chairman | 1 | 1 |
| Mr. Rajaram Narayanan | Member | 1 | 1 |
| Mr. Vedprakash Ragate | Member | 1 | - |

A Report on CSR Activities for the FY 2024-25 is provided as an Annexure 4 to the Board's Report. As the Company reported negative average profits over the preceding three financial years, no expenditure was incurred on CSR activities.

## 7. Risk Management Committee ("RMC")

The composition of the RMC of the Company is in conformity with the requirements of the SEBI Listing Regulations, with majority of members being Directors of the Company.

**Terms of Reference:**

The RMC *inter-alia* performs the following functions:

1. To formulate a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the RMC.
7. The RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
8. The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

**Composition of RMC, Meetings held and attendance during the year**

As on March 31, 2025, the RMC has 4 (Four) Members consisting of 2 (Two) Non-Executive Directors, 1 (One) Executive Director and a Chief Financial Officer (CFO) of the Company. The following are the Members of the Committee as on March 31, 2025:

1. Mr. Neeraj Bharadwaj, Chairman, Non- Executive Director
2. Mr. Milind Sarwate, Member, Independent Director
3. Mr. Rajaram Narayanan, Member, Executive Director
4. Mr. Saurav Bhala, Member, Chief Financial Officer

During the year ended March 31, 2025, 2 (Two) meetings of RMC were held on September 26, 2024, and March 19, 2025.

Details of Members and Meetings attended by them during the financial year ended March 31, 2025:

| Name of the Member | Chairman / Member | Held during tenure | No. of Meetings attended |
|---|---|---|---|
| Mr. Neeraj Bharadwaj | Chairman | 2 | 1 |
| Mr. Milind Sarwate | Member | 2 | 2 |
| Mr. Rajaram Narayanan | Member | 2 | 2 |
| Mr. Saurav Bhala | Member | 2 | 2 |

## 8. Ethics and Governance Committee

Dr. Kausalya Santhanam, Independent Director, Mr. Prasad Lad, VP-HR & Admin and Mr. Phillip Trott, AVP-Legal, and Secretarial Department, served as the members of the Ethics and Governance Committee. The Committee was dissolved with effect from February 11, 2025, as its functions were carried out through formal policies such as the Whistle-Blower Policy, Insider Trading Policy, and the POSH Policy. Furthermore, these matters are formally reported to the Audit Committee and the Board as part of regular updates. No meetings of this Committee were held between April 1, 2024, and February 11, 2025.

## 9. Separate Meeting of Independent Directors

In terms of provisions under Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, the Independent Directors met on March 19, 2025, without the presence of Non-Independent Directors.

The Independent Directors in their Meeting held on March 19, 2025, *inter-alia*:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-Executive Directors;
- 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.

The Independent Directors expressed their satisfaction on the overall performance of the Directors and the Board as a whole.

Additionally, a meeting of the Committee of Independent Directors ("CoID") was held on September 26, 2024, to comply with the requirements under SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 June 20, 2023 which *inter alia* requires a report from the (CoID) recommending the draft Scheme, taking into consideration, inter alia, that the scheme is not detrimental to the shareholders of the listed entity. All Independent Directors were present for this meeting.

## 10. Details of Senior Management

Details of Senior Management as on March 31, 2025, are as below:

| Sr No. | Employee Name | Designation Title |
|---|---|---|
| 1 | Mr. Vedprakash Ragate | Whole-time Director |
| 2 | Mr. Saurav Bhala | Group Chief Financial Officer |
| 3 | Ms. Yoshita Vora | Company Secretary |
| 4 | Mr. Prasad Lad | VP, Human Resources and Admin* |
| 5 | Mr. Pankaj Lohan | VP, Formulations (Domestic)* |
| 6 | Mr. Phillip Trott | AVP, Legal and Compliance |
| 7 | Mr. Ashish Kakabalia | VP, Business Development and R&D* |
| 8 | Mr. Pradeep Natarajan | AVP, Quality Assurance* |

* Employees of Alivira Animal Health Limited, Material Subsidiary, of the Company

During the year under review, Mr. Phillip Trott resigned as the Company Secretary and Compliance Officer of the Company w.e.f. December 16, 2024. He continues to be associated with the Company in his other roles. Ms. Yoshita Vora was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. December 17, 2024.

## 11. Remuneration of Directors

### (a) Remuneration to Non-Executive Directors including Independent Directors

The Non-Executive Directors are entitled to receive the sitting fees of ₹ 1,00,000 per meeting for attending the Board and Committee meetings. The sitting fees are paid immediately after the respective Board and Committee meeting to those Directors who have attended the meetings. The Board, basis the recommendation of NRC from time to time determine payment of commission to Non- Executive Directors considering various attributing factors.

During the financial year 2024-25, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fees for attending the Meetings of Board and Committee of the Company and commission.

### (b) Remuneration to Executive Directors

The remuneration of the Mr. Rajaram Narayanan, Managing Director and CEO and Mr. Vedprakash Ragate, Wholetime Director is as per recommendation of the NRC and subsequent approval by the Board and Shareholders. They are also eligible for variable pay against the performance criteria as set by the Company. Further, their contract is governed by service period applicable as per the internal policies of the Company.

The NRC Committee recommends the compensation package to the Executive Directors of the Company which includes salary, perquisite, allowances, contributions to provident and other retirement benefits. The remuneration policy is directed towards rewarding performance based on review of achievements.

As per the policy of the Company, a notice period of three months is applicable to a Managing Directors/ Whole-time Directors of the Company and no severance fee is paid to a Managing Director/Whole-time Director.

The criteria for making payment to Executive and Non-executive Directors as given in SeQuent's Policy on Director's Appointment and Remuneration is available on the website of the Company and can be accessed through the web link at: SeQuent's Policy on Director's Appointment and Remuneration.pdf

#### Remuneration paid to Directors for the year ended March 31, 2025

(₹ In Millions)

| Name of the Director | Salary | Perquisites | Performance Linked | Sitting Fees | Commission | Total |
|---|---|---|---|---|---|---|
| **Independent Directors** | | | | | | |
| Dr. Kamal Sharma | - | - | - | 2.40 | 1.00 | 3.40 |
| Mr. Milind Sarwate | - | - | - | 2.70 | 1.30 | 4.00 |
| Dr. (Mrs.) Kausalya Santhanam | - | - | - | 1.30 | 0.30 | 1.60 |
| Ms. Revati Kasture | - | - | - | 0.40 | - | 0.40 |

(₹ In Millions)

| Name of the Director | Salary | Perquisites | Performance Linked | Sitting Fees | Commission | Total |
|---|---|---|---|---|---|---|
| **Non Executive Directors** | | | | | | |
| Mr. Neeraj Bhardwaj | - | - | - | - | - | - |
| Mr. Gregory Andrews | - | - | - | 0.80 | - | 0.80 |
| Dr. Fabian Kausche | - | - | - | 0.70 | - | 0.70 |
| Dr. Hari Babu Bodepudi | - | - | - | 0.60 | - | 0.60 |
| **Executive Directors** | | | | | | |
| Rajaram Narayanan* | 19.84 | 0.03 | - | - | - | 19.87 |
| Mr. Sharat Narasapur | - | - | - | - | - | - |
| Mr. Vedprakash Ragate* | - | - | - | - | - | - |

* Mr. Rajaram Narayanan, MD and CEO, had additionally received remuneration (i.e. salary, perquisites and performance linked pay) of ₹ 29.36 Million from Alivira Animal Health Limited, a wholly owned subsidiary of the Company. Mr. Vedprakash Ragate, Whole-Time Director, received remuneration (i.e. salary, perquisites and performance linked pay) of ₹ 18 Million from Alivira Animal Health Limited, a wholly owned subsidiary of the Company.

As on date 71,00,000 Options were granted to Mr. Rajaram Narayanan and 5,00,000 options were granted to Mr. Vedprakash Ragate under the Sequent Scientific Limited Employees Stock Option Plan 2020 subject to the satisfaction of certain vesting and other terms and conditions as stipulated in the said ESOP Plan.

The said ESOP Scheme is available on the website of the company at the following web link respectively: Sequent-Scientific-Limited-Employee-Stock-option-Plan-2020.pdf

## 12. General Body Meetings:

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

| Financial Year | Date and Time | Venue | Special Resolutions |
|---|---|---|---|
| 2021-22 | Tuesday, September 20, 2022, at 04:00 P.M. | Meeting conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs | Continuation of Non-Executive Independent Directorship of Dr. Kamal Sharma |
| 2022-23 | Wednesday, August 30, 2023, at 04:30 P.M | Meeting conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs | Amendment to Sequent Scientific Limited Employee Stock Option Plan 2020 |
| 2023-24 | Tuesday, September 17, 2024, at 04:30 P.M. | Meeting conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs | Revision in remuneration payable to Mr. Rajaram Narayanan (DIN: 02977405), Managing Director and Chief Executive Officer of the Company |

No Extra-Ordinary General Meeting was held during the year under review.

**Details of Special resolutions passed through Postal Ballot:**

During the year under review, the Company conducted 3 (Three) Postal Ballots through which 2 (Two) Special Resolutions were approved by the Members of the Company. Hard Copy of Postal Ballot Notice along with Postal Ballot Forms and Pre-paid envelopes were not sent to the Members in terms of various MCA and SEBI circulars issued in this regard. The Members approved the resolutions by communicating their Assent and Dissent only through remote e-voting. The Company had appointed M/s. Nilesh Shah & Associates, Company Secretary, represented by Mr. Nilesh Shah or failing him Ms. Hetal Shah, Practicing Company Secretaries as the Scrutiniser for conducting Postal Ballot process. The Postal Ballot process was carried out in a fair and transparent manner.

The Company complied with the applicable provisions of the Companies Act, 2013, the relevant rules framed thereunder, and the SEBI Listing Regulations in relation to the Postal Ballot and e-voting. The results of Postal Ballot were communicated to the Stock Exchange(s) where the securities of the Company are listed and was posted on the website of the Company at www.sequent.in.

The details of the Postal Ballot conducted during the financial year 2024-25 is provided herein below:

1. **Shifting of registered office of the Company from the state of Maharashtra to the state of Telangana and consequential amendment to the memorandum of association of the company as a Special Resolution:**

| | |
|---|---|
| Date of Postal Ballot Notice: | October 29, 2024 |
| Voting Period: | October 30, 2024, to November 28, 2024 |
| Date of Approval by the Members: | November 28, 2024 |
| Date of Declaration of Result: | November 29, 2024 |

| Sr. No. | Mode of Voting | No. of shares voted | Votes cast in favour | | Votes cast against | |
|---|---|---|---|---|---|---|
| | | | No. of votes | % | No. of votes | % |
| 1. | E-Voting | 165522341 | 165475068 | 99.97 | 47273 | 0.03 |

2. **Appointment of Ms. Revati Parag Kasture (DIN: 07558973) as a Director (Non-Executive, Independent) of the Company as a Special Resolution:**

| | |
|---|---|
| Date of Postal Ballot Notice: | January 17, 2025 |
| Voting Period: | January 21, 2025, to February 19, 2025 |
| Date of Approval by the Members: | February 19, 2025 |
| Date of Declaration of Result: | February 20, 2025 |

| Sr. No. | Mode of Voting | No. of shares voted | Votes cast in favour | | Votes cast against | |
|---|---|---|---|---|---|---|
| | | | No. of votes | % | No. of votes | % |
| 1. | E-Voting | 174147516 | 174120946 | 99.98 | 26570 | 0.02 |

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## 13. Means of Communication:

a) The quarterly/ half yearly/ annual financial results are forthwith communicated to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") as soon as they are approved and taken on record.

b) The results are published generally in Financial Express (English) and Mumbai Lakshadeep (Marathi) newspapers. In addition to above, the Company also publishes Notice of AGM / Postal Ballot, and other required information in the aforesaid newspapers.

c) A separate dedicated section in the Company's website gives information on shareholding pattern, quarterly/half yearly/annual results and other relevant information of interest to the investors/public.

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

f) The Company conducts earnings call to interact with Investors / Analysts every quarter after the financial results are declared. The invite for the earnings call is notified in advance to the Stock Exchanges. The transcript of the earnings calls is also uploaded on the Company's website.

g) The Company has designated email id: investorrelations@sequent.in exclusively for investor relations.

## 14. General shareholder information

| | |
|---|---|
| AGM: Date, Time and Venue | Friday, August 8, 2025, at 4 p.m. (IST) through Video Conferencing / Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting. |
| Financial Year | April 01, 2025, to March 31, 2026 |
| Dividend payment date | Not declared for FY 2024-25 |
| First Quarter Results | On or before August 14, 2025 |
| Second Quarter Results | On or before November 14, 2025 |
| Third Quarter Results | On or before February 14, 2026 |
| Fourth Quarter Results | On or before May 30, 2026 |
| Listing on Stock Exchanges | **BSE Limited**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001<br>Stock Code: 512529<br>**National Stock Exchange of India Limited**<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (E), Mumbai - 400 051<br>Symbol: SEQUENT<br>ISIN: INE807F01027<br>The Company has paid listing fees for the financial year 2025-26 to the Stock Exchanges. |
| Registrar & Transfer Agents | **KFin Technologies Limited**<br>Correspondence Address:<br>Karvy Selenium, Tower - B, Plot No. 31 & 32, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032<br>Email : einward.ris@kfintech.com<br>Toll Free Number: 1800 309 4001<br>There was no change in the particulars of Registrar and Share Transfer Agent during the year under review. |
| Share transfer system | Trading in equity shares of the Company is permitted only in dematerialised mode. In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized to be able to freely transfer them and participate in various corporate actions. |
| Address for Correspondence | Ms. Yoshita Vora<br>Company Secretary & Compliance Officer<br>Sequent Scientific Limited<br>301, 'Dosti Pinnacle', Plot No. E7, Road<br>No.22, Wagle Industrial Estate, Thane (West) - 400 604<br>Email: investorrelations@sequent.in |

**Distribution Schedule as on March 31, 2025:**

| Sl. No. | No. Of Equity Shares | No. of Holders | % of shareholders | No. of Shares | % of shareholding |
|---|---|---|---|---|---|
| 1 | 1 - 5000 | 1,54,265 | 97.58 | 58209938 | 11.63 |
| 2 | 5001 - 10000 | 1,976 | 1.25 | 14397642 | 2.88 |
| 3 | 10001 - 20000 | 1,009 | 0.64 | 14667318 | 2.93 |
| 4 | 20001 - 30000 | 302 | 0.19 | 7490044 | 1.50 |
| 5 | 30001 - 40000 | 145 | 0.09 | 5193876 | 1.04 |
| 6 | 40001 - 50000 | 86 | 0.05 | 3924792 | 0.78 |
| 7 | 50001 - 100000 | 172 | 0.11 | 12025128 | 2.40 |
| 8 | 100001 & Above | 135 | 0.09 | 384695252 | 76.85 |
| **TOTAL:** | | **1,58,090** | **100.00** | **500603990** | **100.00** |

**Dematerialization of shares and liquidity as on March 31, 2025**

| Particulars of Equity Shares | Equity Shares of ₹ 2 each | |
|---|---|---|
| | Number | % of Total |
| NSDL | 21,91,31,412 | 87.55 |
| CDSL | 3,11,33,078 | 12.44 |
| **Sub-Total** | **25,02,64,490** | **99.99** |
| Physical | 37,505 | 0.01 |
| **Total** | **25,03,01,995** | **100.00** |

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest as the Company's equity shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

**Shareholding pattern of Equity Shares as on March 31, 2025**

| Category | Number of Shareholders | Number of Shares held | % to total paid up Capital |
|---|---|---|---|
| **Promoters** | | | |
| Promoters Bodies Corporate | 1 | 13,16,80,103 | 52.6085 |
| **Public Shareholding** | | | |
| Resident Individuals | 1,54,987 | 5,79,14,298 | 23.1378 |
| Mutual Funds | 13 | 2,55,90,695 | 10.2239 |
| Foreign Portfolio - Corp | 53 | 1,48,62,475 | 5.9378 |
| Bodies Corporates | 928 | 66,71,804 | 2.6655 |
| Alternative Investment Fund | 13 | 64,79,246 | 2.5886 |
| H U F | 2,179 | 24,65,103 | 0.9849 |
| Non-Resident Indians | 1,496 | 17,69,036 | 0.7068 |
| Non-Resident Indian Non Repatriable | 1,253 | 13,83,315 | 0.5527 |
| Employees | 113 | 6,71,275 | 0.2682 |
| Trusts | 1 | 4,12,250 | 0.1647 |
| Foreign Portfolio Investors | 1 | 2,76,200 | 0.1103 |
| Directors | 1 | 63,607 | 0.0254 |
| NBFC | 1 | 23,000 | 0.0092 |
| I E P F | 1 | 22,900 | 0.0091 |
| Clearing Members | 10 | 11,998 | 0.0048 |
| Trusts | 2 | 4,690 | 0.0019 |
| **Total** | **1,61,053** | **25,03,01,995** | **100** |

**Outstanding GDRs/ADRs/warrants/ other convertible instruments:**

The Company has no outstanding GDRs / ADRs / Warrants or any convertible instruments, as on March 31, 2025.

**ESOPs:**

Your Company currently has 2 (Two) ESOP Schemes as under:

a) Sequent Scientific Limited Employees Stock Option Plan 2020 and

b) Sequent Scientific Employee Stock Option Plan 2010

The details as required to be disclosed under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBS Regulations") are available on the website of the Company at: https://sequent.in/investor-relation/financial-overview/

Both the above scheme are in compliance with applicable regulations and a certificate from the M/s. Nilesh Shah & Associates., Practicing Company Secretaries and Secretarial Auditor of the Company, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing AGM for inspection by the Members and confirming that the scheme(s) has been implemented in accordance with the SEBI SBEBS Regulations.

**Plant Locations:**

| | | |
|---|---|---|
| Sequent Scientific Limited<br>B-32, G-2, G-3, MIDC Industrial Area, Mahad, Raigad, Maharashtra 402305, India | Alivira Animal Health Limited<br>Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam, Andhra Pradesh, India | Alivira Animal Health Limited<br>Plot Nos. A-68/69, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra, India |
| Alivira Saude,<br>Rua Ângelo Esteves, nº 51, Jd Mirian, Campinas/SP, CEP 13098-416- Brasil | Karizoo, Spain<br>Polig. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui (Barcelona) Spain | Provet Veteriner Ürünleri San. ve Tic. A. S., Turkey: Polatlı Organise Sanayi Bölgesi 210., Cad de no:7 Polatlı/ Ankara, Turkey |
| Alivira Saude, Avenida Espanha 1025 e 1035, -Tibery, Uberlândia/ MG, CEP 38405-048-Brasil | | |

**Unclaimed Dividends/Outstanding Unclaimed Shares:**

Pursuant to the provisions of Section 124(5) of the Act, if the dividend transferred to the "Unpaid Dividend Account" of the Company remains unpaid or unclaimed for a period of seven consecutive years from the date of such transfer, then the said unclaimed or unpaid dividend amount shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of Section 125 of the Act.

The details of Unclaimed Dividend as on March 31, 2025, and due dates for transfer are as follows:

| Sr No. | Financial Year | Date of Declaration of Dividend | Unclaimed Amount (₹) | Due Date for transfer to IEPF Account |
|---|---|---|---|---|
| 1. | 2018-19 | August 2019 | 102490.80 | September 2026 |
| 2. | 2019-20 | Not Declared | N.A. | N.A. |
| 3. | 2020-21 | September 2021 | 131548.50 | October 2028 |
| 4. | 2021-22 | Not Declared | N.A. | N.A. |
| 5. | 2022-23 | Not Declared | N.A. | N.A. |
| 6. | 2023-24 | Not Declared | N.A. | N.A. |

Further, in terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("IEPF Rules") shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the IEPF within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, dividend etc.), if any, accruing on such shares shall also be credited to such IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

During the year under review, an amount of ₹ 57,657/- representing unclaimed Interim Dividend of 2017 was transferred to IEPF on April 19, 2025.

Shares which are transferred to IEPF can be claimed back by the shareholders from Investor Education and Protection Fund Authority (IEPFA) by following the procedure prescribed under the IEPF Rules.

In the Financial Year 2024-25, there are no outstanding unclaimed shares in the Unclaimed Share Suspense Account of the Company.

**Credit Rating:**

As on the date of this Report, the credit rating assigned by India Ratings & Research (Fitch Group) was "IND A" with outlook being "Positive" (revised from "IND A+" with outlook being "Negative") for long-term bank facilities of the Company. The said ratings signify a high degree of safety regarding the timely servicing of financial obligations.

Further, India Ratings & Research (Fitch Group) reaffirmed a rating as "IND A1" (revised from IND A1+) for the Company's short-term bank facilities, which signifies strong safety regarding timely payment of financial obligations and carry a very low credit risk.

## 15. Disclosures:

**i. Related Party Transactions:**

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 confiict with the interest of the Company at large. Transactions with related parties are disclosed in Note 45 to the standalone financial statements in the Annual Report.

The Company has Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is in the line with the SEBI Listing Regulations and the same can be accessed at: https://sequent.in/wp-content/uploads/2025/02/4.-Policy-on-Determination-of-Material-Subsidiaries.pdf

**ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years:**

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.

**iii. Vigil Mechanism / Whistle Blower Policy:**

Pursuant to provisions of Section 177(9) of the Act and SEBI 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 confirms that no personnel have been denied access to the Audit Committee

The Company has a Whistle Blower policy and the same can be accessed at https://sequent.in/wp-content/pdf/policies/Whistle%20Blower%20Policy.pdf.

**iv. Commodity price risk or foreign exchange risk and hedging activities:**

During the year ended March 31, 2025, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters forward contracts for hedging foreign exchange exposures against exports and imports. The Company has no commodity price risk and commodity hedging activities.

**v. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations:**

During the year under review, the Company has not raised any funds either through preferential allotment or qualified institutions placement therefore disclosure of this information is not applicable to the Company.

**vi. Recommendations of the Committees**

During the year under review, the Board accepted all recommendations made by its Committee(s) that were mandatorily required to be implemented.

**vii. Fees paid to Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part: ₹ 12.89 Mn.

| Particulars | ₹ in Millions |
|---|---:|
| For Statutory Audit | 10.82 |
| For any other services including reimbursement of expenses | 2.07 |

**viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The disclosure pertaining to Sexual Harassment of Women at workplace is disclosed in the Board's Report. During the year under review, no complaints pertaining to sexual harassment was received.

**ix. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:**

The Company has not granted any loan or advances to firms or companies in which directors are interested.

**x. Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

| Sr No. | Name of Material Unlisted subsidiary Company | Date Of Incorporation/ Acquisition | Place of Incorporation | Name of Statutory Auditor | Date of appointment of Statutory Auditor |
|---|---|---|---|---|---|
| 1 | Alivira Animal Health Limited, India | 30.09.2013 | Thane | SRBC & Co. LLP Chartered Accountants | 13th August, 2024 |
| 2 | Alivira Animal Health Limited, Ireland | 01.09.2014 | Dublin, Ireland | UHY Farrelly Dawe White Limited | 11th November, 2024 |
| 3 | Laboratorios Karizoo, S.A., Spain | 09.05.1983 | Spain | Bove Montero Y Asociados | 22nd November , 2021 |

Dr. Kamal Sharma, Chairman of the Board and Independent Director of the Company also acts as an Independent Director of AAHL India, AAHL Ireland and Karizoo.

The Company has Policy on Determining Material Subsidiaries which is in the line with the SEBI Listing Regulations and the same can be accessed at: https://sequent.in/wp-content/uploads/2025/02/4.-Policy-on-Determination-of-Material-Subsidiaries.pdf

**xi. Discretionary Requirements:**

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 SEBI Listing Regulations, to the extent applicable.

(a) During the year under review, the Statutory Auditors have expressed an unmodified opinion on the Financial Statements.

(b) The Company has appointed separate persons for the post of Chairman and Managing Director.

(c) The Audit Committee had appointed Grant Thornton Bharat LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2024-25. 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.

**xii. Disclosure of certain type of agreements binding on the Company:**

There are no agreements in place that affect the management or control of the Company, nor are there any such agreements that impose restrictions or create liabilities on the Company.

**xiii. No disqualification Certificate from Company Secretary in Practice**

The Company has obtained a certificate from M/s. Nilesh Shah & Associates, Practising Company Secretaries, as required under SEBI Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the SEBI Listing Regulations. The same is appended to this report as an **'Annexure A'.**

**xiv. Compliance Certificate from Practicing Company Secretary**

Certificate from the Company's Secretarial Auditors, M/s. Nilesh Shah & Associates, Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the SEBI Listing Regulations, is attached to this Report. The same is appended to this report as '**Annexure B**'. The Company has complied with all mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations except for the following:

- The requirements for appointment of a Woman Director was not met for the period from October 28, 2024 to December 16, 2024, as the management was in the process of identifying suitable candidate.

- The Composition of the SRC was not in compliance from October 28, 2024 to December 22, 2024, as the Board was in the process of reconstituting the Committee

Due to above, BSE and NSE collectively imposed a penalty of ₹ 8,54,320.

**xv. Annual Secretarial Compliance Report**

The Annual Secretarial Compliance Report issued by the Secretarial Auditor in terms of Regulation 24A of SEBI Listing Regulations, was submitted to the stock exchanges within the statutory timelines and is available on the Company's website at: SEBI-Compliance-Report-24-A-Reportsigned.pdf

**xvi. CEO & CFO Certification**

The Managing Director (MD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The MD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

**Code of Conduct**

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

The Code of Conduct is also posted on the website of the Company and can be accessed at www.sequent.in. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year 2024-25.

A declaration to this effect signed by Mr. Rajaram Narayanan, Managing Director & CEO is reproduced below:

In accordance with Regulation 26 of the SEBI 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 Conduct and Ethics for the Members of the Board and the Senior Management, as applicable to them, in respect of the financial year 2024-25.

For and on Behalf of the Board of Directors
**of Sequent Scientific Limited**

Place: Thane
Date: May 20,2025

**Rajaram Narayanan**
Managing Director & CEO

# Annexure A

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
**Sequent Scientific Limited**
3rd Floor, Srivallis Corporate, Plot No. 290,
SYN 33 34P TO 39, Guttala Begumpet, Jubilee Hills,
Hyderabad, Shaikpet, Telangana - 500033.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sequent Scientific Limited, having CIN: L99999TS1985PLC196357 and having registered office situated at 3rd Floor, Srivallis Corporate, Plot No. 290, SYN 33 34P TO 39, Guttala Begumpet, Jubilee Hills, Hyderabad, Shaikpet, Telangana - 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---|---|---|---|
| 1. | Dr. Kamal Sharma | 00209430 | 25/08/2020 |
| 2. | Ms. Revati Kasture | 07558973 | 17/12/2024 |
| 3. | Mr. Milind Sarwate | 00109854 | 25/08/2020 |
| 4. | Mr. Neeraj Bharadwaj | 01314963 | 17/08/2020 |
| 5. | Mr. Gregory Andrews | 08904518 | 06/11/2020 |
| 6. | Mr. Fabian Kausche | 08976500 | 14/12/2020 |
| 7. | Mr. Rajaram Narayanan | 02977405 | 11/04/2022 |
| 8. | Mr. Hari Babu Bodepudi | 01119687 | 07/08/2023 |
| 9. | Mr. Vedprakash Ragate | 10578409 | 17/04/2024 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: sd/-

Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Date: 20.05.2025
Place: Mumbai
Peer Review No.: 6454/2025
UDIN: F004554G000391369

# Annexure B

## CERTIFICATE ON CORPORATE GOVERNANCE

To
the Members of
**Sequent Scientific Limited**
3rd Floor, Srivallis Corporate, Plot No. 290,
SYN 33 34P TO 39, Guttala Begumpet, Jubilee Hills,
Hyderabad, Shaikpet, Telangana - 500033.

We have examined the compliance of conditions of Corporate Governance by Sequent Scientific Limited ('the Company'), for the financial year ended on 31st March, 2025, 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 Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations save and except as mentioned below:

1. The Company did not had Women Director during the period October 28, 2024 to December 16, 2024 as required under regulation 17 of SEBI LODR Regulations. We have been informed that the Company was in search of suitable candidate.
2. The composition of Stakeholders Relationship Committee was not as required under regulation 20 of SEBI LODR Regulations during the period October 28, 2024 to December 16, 2024 as the Company was under the process of reconstituting said committee.

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

Signature: sd/-

Date: 20.05.2025
Place: Mumbai
Peer Review No.: 6454/2025
UDIN: F004554G000391424

Name: **Nilesh Shah (Partner)**
For: **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

# Independent Auditor's Report

**To the Members of Sequent Scientific Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Sequent Scientific Limited (hereinafter referred to as "the Holding Company") including Sequent Scientific Employee Stock Option Plan Trust (the "Trust") and its subsidiaries (the Holding Company, Trust and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2025, their consolidated profit including other comprehensive expense, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Deferred tax asset**<br>(as described in Note 8 and Note 43 of the consolidated financial statements) | |
| As at March 31, 2025, the Group has Deferred Tax Asset ("DTA") of ₹ 1,027.16 million. Above balance includes DTA of ₹ 830.25 million majorly created on account of income tax losses and MAT credit of ₹ 196.91 million relating to Holding Company and one of the wholly owned subsidiary incorporated in India which is available for utilization against future tax liabilities.<br><br>The analysis of the recoverability of deferred tax assets has been identified as a key audit matter because the assessment of recoverability involves significant estimates and judgement in respect of forecasted taxable profits for future years. Due to the significance and materiality of the deferred tax balances and the judgment involved, this matter was considered significant to our audit and hence a key audit matter. | We performed the following audit procedures, among others:<br>• We obtained an understanding of the management's process for estimating the recoverability of deferred tax assets.<br>• We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analyzed results for material differences, if any.<br>• We tested the arithmetical accuracy of the computation of the amounts recognised as deferred tax assets.<br>• We involved tax experts to assist in evaluating measurement of income tax charge for the year including computation of deduction and evaluation of various tax positions and potential exposures.<br>• We read and assessed relevant disclosures made in the consolidated financial statements. |
| **Revenue recognition under Ind AS 115, " Revenue from contracts with customers"**<br>(as described in Note 2 (vii) and 34 of the consolidated financial statements) | |
| The Group recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.<br><br>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter. | We performed the following audit procedures, among others:<br>• We read the Group's accounting policy for revenue recognition and assessed its compliance with Ind-AS 115 'Revenue from contracts with customers;<br>• We assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods;<br>• For sample customers, we obtained and assessed the arrangements with the Group and impact on revenue recognition including their payment terms and right to returns;<br>• On a sample basis, we tested underlying documents including purchase orders issued by customers, and sales invoices raised by the Group and shipping documents to assess the timing of transfer of control and the timing of revenue recognition;<br>• We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions;<br>• We requested for and obtained independent balance confirmations from the Group's customers on sample basis and tested reconciliations wherever required.<br>• We read and assessed the relevant disclosures made in the consolidated financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
| --- | --- |
| **Impairment assessment of Goodwill including Intangible Assets**<br>(as described in Note 4 and 5 of the consolidated financial statements) | |
| The Group has goodwill of ₹ 2,487.94 million and other intangible assets of ₹ 528.87 million respectively as at March 31, 2025 which includes goodwill / intangible assets acquired through various business combinations and allocated to cash generating units of the Group.<br><br>Impairment of goodwill and intangible assets is determined by assessing the recoverable amount of each cash generating unit to which these assets relate.<br><br>The recoverable amount of the cash generating unit as at March 31, 2025 has been determined based on valuation techniques such as projected future cash inflows, etc.<br><br>Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill. The determination of recoverable amounts involves use of several key assumptions, including estimates of future sales volume and prices, operating costs, terminal value growth rates and the weighted average cost of capital (discount rate) and hence is considered a key audit matter. | Our audit procedures included the following:<br>• We obtained an understanding, evaluated the design, and tested operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models.<br>• We obtained an understanding of the process followed by the management in determining the Cash Generating Units (CGUs') to which goodwill / intangible assets are allocated.<br>• We obtained an understanding of the process followed by the management to determine the recoverable amounts of CGUs to which the goodwill and intangible assets pertain to.<br>• We obtained the management testing of impairment and report of management specialist on impairment assessment of Turkey CGU and discussed the assumptions and other factors used in the assessment.<br>• We evaluated the assumptions applied to key inputs such as future sales volume, sales price, operating costs, terminal value growth rates.<br>• We tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units.<br>• We involved valuation experts to assist in evaluating key assumptions used in the impairment testing performed by the management and its specialists.<br>• We read and assessed the relevant disclosures made in the consolidated financial statements. |

## Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive expense, consolidated cash flows and consolidated 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of their respective companies 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

(a) We did not audit the financial statements and other financial information of the Trust whose financial statements and other financial information include total assets of ₹ 28.50 million as at March 31, 2025, total revenues of ₹ Nil and net cash outflow of ₹ 7.00 million for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Trust, is based solely on the reports of such other auditors.

(b) We did not audit the financial statements and other financial information, in respect of thirteen subsidiaries, whose financial statements include total assets of ₹ 15,653.90 million as at March 31, 2025, total revenues of ₹ 10,801.80 million and net cash outflows of ₹ 23.80 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 103.60 million as at March 31, 2025, total revenues of ₹ 124.00 million and net cash outflows of ₹ 0.90 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. There are no qualifications or adverse remarks given by the respective auditor in the Companies (Auditor's Report) Order, 2020 ("the Order") reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and the Trust, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except that backup of books of accounts was not performed on June 19, 2024 as stated in Note 64 of the financial statements and except for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of 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 books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3) (b) and paragraph (i)(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 46 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India during the year ended March 31, 2025.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 59 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 59 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India.

vi) Based on our examination which included test checks, except for the instances discussed in note 63 to the consolidated financial statements, the Holding Company and two subsidiaries which are Companies incorporated in India whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of accounting software, where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Holding Company and its subsidiaries incorporated in India, as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXOM4382
Place of Signature: Thane
Date: May 20, 2025

# ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SEQUENT SCIENTIFIC LIMITED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sequent Scientific Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 Holding 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 Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements 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, the Holding Company has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXOM4382
Place of Signature: Thane
Date: May 20, 2025

# Consolidated Balance Sheet

as at 31 March 2025

All amounts are in ₹ million unless otherwise stated

| Particulars | Notes | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **(A) ASSETS** | | | |
| **I Non-current assets** | | | |
| (a) Property, plant and equipment (PPE) | 3a | 2,316.21 | 2,486.17 |
| (b) Right-of-Use assets (ROU) | 3b | 527.31 | 515.27 |
| (c) Capital work-in-progress | 3c | 150.79 | 110.81 |
| (d) Goodwill | 4 | 2,487.94 | 2,349.34 |
| (e) Other intangible assets | 5 | 528.87 | 568.70 |
| (f) Intangible assets under development | 5a | 5.57 | 48.51 |
| (g) Financial assets | | | |
| (i) Investments | 6 | 0.05 | 8.93 |
| (ii) Other financial assets | 7 | 105.03 | 122.90 |
| (h) Deferred tax assets (net) | 8 | 1,027.16 | 783.55 |
| (i) Income tax assets (net) | 9 | 96.56 | 129.52 |
| (j) Other non-current assets | 10 | 36.64 | 51.58 |
| **Total non-current assets** | | **7,282.13** | **7,175.28** |
| **II Current assets** | | | |
| (a) Inventories | 11 | 3,853.17 | 3,462.32 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 0.68 | 26.13 |
| (ii) Trade receivables | 13 | 3,631.66 | 3,356.31 |
| (iii) Cash and cash equivalents | 14 | 626.60 | 648.10 |
| (iv) Bank balances other than (iii) above | 15 | 64.11 | 50.20 |
| (v) Loans | 16 | 2.12 | 1.41 |
| (vi) Other financial assets | 17 | 11.00 | 19.00 |
| (c) Income tax assets (net) | 18 | 2.53 | 3.72 |
| (d) Other current assets | 19 | 537.37 | 542.18 |
| **Total current assets** | | **8,729.24** | **8,109.37** |
| **III Asset held for sale** | 3b | **8.09** | **119.19** |
| **Total assets** | | **16,019.46** | **15,403.84** |
| **(B) EQUITY AND LIABILITIES** | | | |
| **I Equity** | | | |
| (a) Equity share capital | 20 | 500.60 | 498.86 |
| (b) Other equity | 21 | 6,544.14 | 6,066.74 |
| **Equity attributable to owners of the Company** | | **7,044.74** | **6,565.60** |
| (c) Non-controlling interest | 22 | 658.88 | 563.99 |
| **Total equity** | | **7,703.62** | **7,129.59** |
| **II Liabilities** | | | |
| **1 Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 23 | 2,738.79 | 1,427.19 |
| (ii) Lease liabilities | 24 | 263.07 | 290.97 |
| (b) Provisions | 25 | 226.54 | 217.46 |
| (c) Deferred tax liabilities (net) | 26 | 37.40 | 68.73 |
| **Total non-current liabilities** | | **3,265.80** | **2,004.35** |
| **2 Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 27 | 1,724.97 | 3,085.60 |
| (ii) Lease liabilities | 29 | 85.60 | 73.17 |
| (iii) Trade payables | 28 | 2,567.15 | 2,512.15 |
| (iv) Other financial liabilities | 30 | 237.29 | 146.63 |
| (b) Provisions | 31 | 75.94 | 79.64 |
| (c) Current tax liabilities (net) | 32 | 118.62 | 33.43 |
| (d) Other current liabilities | 33 | 240.47 | 339.28 |
| **Total current liabilities** | | **5,050.04** | **6,269.90** |
| **Total liabilities** | | **8,315.84** | **8,274.25** |
| **Total equity and liabilities** | | **16,019.46** | **15,403.84** |
| **Material Accounting Policies** | 2 | | |

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No - 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN - 10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Consolidated Statement of profit and loss
for the year ended 31 March 2025

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

| | Particulars | Notes | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|---|
| I | Revenue from operations | 34 | 15,513.70 | 13,697.31 |
| II | Other income | 35 | 146.86 | 109.57 |
| III | **Total income (I+II)** | | **15,660.56** | **13,806.88** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 36.a | 6,173.68 | 6,136.66 |
| | (b) Purchases of stock-in-trade | 36.b | 2,125.69 | 1,755.38 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 36.c | (180.89) | (294.57) |
| | (d) Employee benefits expense | 37 | 2,811.19 | 2,505.71 |
| | (e) Finance costs | 38 | 607.51 | 480.86 |
| | (f) Depreciation and amortisation expenses | 39 | 664.51 | 615.40 |
| | (g) Other expenses | 40 | 2,995.37 | 2,901.81 |
| | (h) Net Monetary (gain) / loss on Hyperinflation economy | 41 | (29.32) | 78.18 |
| | **Total expenses (IV)** | | **15,167.74** | **14,179.43** |
| V | **Profit / (Loss) before tax & exceptional items (III-IV)** | | **492.82** | **(372.55)** |
| VI | Exceptional items | 42 | (49.76) | (173.91) |
| VII | **Profit / (Loss) before tax (V-VI)** | | **443.06** | **(546.46)** |
| VIII | **Tax expense / (credit)** | 43 | | |
| | (a) Current tax | | 407.18 | 144.83 |
| | (b) Deferred tax | | (288.41) | (389.82) |
| | (c) Adjustment of tax pertaining to earlier period | | 1.70 | (5.34) |
| | **Total Tax expense / (credit)** | | **120.47** | **(250.33)** |
| IX | **Profit / (Loss) after tax (VII-VIII)** | | **322.59** | **(296.13)** |
| X | **Other comprehensive income / (expenses)** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | (a) Remeasurement gain / (loss) on defined benefit plans | | (6.52) | (13.24) |
| | (b) Fair value gain / (loss) from investment in equity instruments | | (0.44) | 0.66 |
| | (c) Income tax relating to items that will not be reclassified to profit or loss | | 2.26 | (0.57) |
| | **B. Items that will be reclassified to profit or loss** | | | |
| | (a) Exchange differences on translation of foreign operations | | 54.02 | (263.48) |
| | (b) Exchange differences on net investment in foreign operations | | (265.47) | (374.90) |
| | **Total other comprehensive expenses (net of tax)** | | **(216.15)** | **(651.53)** |
| XI | **Total comprehensive income / (expense) for the year, net of tax (IX+X)** | | **106.44** | **(947.66)** |
| | **Profit / (Loss) for the year attributable to:** | | | |
| | - Owners of the Company | | 218.78 | (358.69) |
| | - Non-controlling interest | | 103.81 | 62.56 |
| | | | **322.59** | **(296.13)** |
| | **Other comprehensive income / (expenses) for the year attributable to:** | | | |
| | - Owners of the Company | | (219.35) | (654.26) |
| | - Non-controlling interest | | 3.20 | 2.73 |
| | | | **(216.15)** | **(651.53)** |
| | **Total comprehensive income / (expenses) for the year attributable to:** | | | |
| | - Owners of the Company | | (0.57) | (1,012.95) |
| | - Non-controlling interest | | 107.01 | 65.29 |
| | | | **106.44** | **(947.66)** |
| | **Earnings per equity share (Face value of share - ₹ 2 each)** | 45 | | |
| | (1) Basic (in ₹) | | 0.88 | (1.44) |
| | (2) Diluted (in ₹) | | 0.85 | (1.44) |
| | **Material Accounting Policies** | 2 | | |

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No - 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN - 10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Consolidated Statement of Cash Flows

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Net profit / (Loss) before tax** | | 443.06 | (546.46) |
| **Adjustments for:** | | | |
| Depreciation and amortisation expenses | | 664.51 | 615.40 |
| Unrealised foreign exchange (gain) / loss | | 80.49 | 153.72 |
| Bad trade receivables written off | | 0.12 | 0.62 |
| Allowance for doubtful trade receivables | | (1.27) | 13.77 |
| Finance costs | | 607.51 | 480.86 |
| Interest income | | (27.20) | (6.70) |
| (Profit) / loss on sale of PPE (net) and transfer of leasehold rights | | (60.18) | (55.42) |
| Gain on sale of investments | | (1.31) | (0.17) |
| Fair value gain on financial instruments at fair value through profit or loss | | (0.18) | (0.23) |
| Property, plant and equipment written off | | 2.80 | 1.64 |
| Exceptional Items | | - | (54.26) |
| Hyperinflation Impact | | (29.32) | 78.18 |
| Liabilities no longer required written back | | (9.60) | - |
| Expenses pertaining to share-based payment to employees | | 324.10 | 222.28 |
| **Operating profit before working capital changes** | | **1,993.53** | **903.23** |
| **Changes in working capital** | | | |
| (Increase) / Decrease in trade receivables, loans and other assets | | (479.39) | (87.82) |
| (Increase) / Decrease in inventories | | (468.60) | 2.86 |
| (Increase) / Decrease in margin money and other bank deposits | | (0.10) | (0.40) |
| Increase / (Decrease) in trade payables, other payables and provisions | | 64.25 | (371.36) |
| **Net change in working capital** | | **(883.84)** | **(456.72)** |
| **Cash generated from / (used in) operations** | | **1,109.69** | **446.51** |
| Income taxes paid, net of refund | | (276.07) | (140.56) |
| **Net cash generated from / (used in) operating activities** | **A** | **833.62** | **305.95** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment (PPE) and intangible assets | | (390.87) | (308.07) |
| Proceeds from disposal of PPE and transfer of leasehold rights (including advances) | | 97.00 | 191.52 |
| Proceeds of insurance claim | | - | 74.00 |
| Proceeds from sale of treasury shares by SeQuent Scientific Employee Stock Option Plan Trust | | - | 59.85 |
| Sale / (purchase) of investments | | 35.27 | (34.15) |
| (Investments in) / Redemption of fixed deposits | | (13.79) | (48.08) |
| Interest received | | 24.61 | 5.73 |
| **Net cash generated from / (used in) investing activities** | **B** | **(247.78)** | **(59.20)** |

# Consolidated Statement of Cash Flows

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **Cash flow from financing activities** | | | |
| Proceeds from long-term borrowings | | 2,681.86 | 548.50 |
| Payment of lease liabilities | | (124.46) | (108.24) |
| Repayment of long-term borrowings | | (1,879.04) | (584.65) |
| Proceeds from / (repayment of) short-term borrowings (net) | | (828.90) | 584.22 |
| Interest and other borrowing cost paid | | (512.78) | (453.46) |
| Proceeds in respect of employee stock options | | 74.46 | - |
| Dividend distribution to Non-controlling interest (NCI) | | (18.48) | (0.76) |
| **Net cash generated from / (used in) financing activities** | **C** | **(607.34)** | **(14.39)** |
| **Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)** | | **(21.50)** | **232.36** |
| **Cash and cash equivalents at beginning of the year (refer note 14)** | | 648.10 | 415.74 |
| **Cash and cash equivalents at end of the year (refer note 14)** | | **626.60** | **648.10** |

| As at 31st March 2025 | Opening Balance | Cash Flow | Non-Cash Changes | Balance |
|---|---|---|---|---|
| Borrowings and Lease liabilities | 4,876.93 | (150.54) | 86.04 | 4,812.43 |
| **Total Liabilities From Financing activity** | **4,876.93** | **(150.54)** | **86.04** | **4,812.43** |

| As at 31st March 2024 | Opening Balance | Cash Flow | Non-Cash Changes | Balance |
|---|---|---|---|---|
| Borrowings and Lease liabilities | 4,435.95 | (13.63) | 454.61 | 4,876.93 |
| **Total Liabilities From Financing activity** | **4,435.95** | **(13.63)** | **454.61** | **4,876.93** |

**Note:** The consolidated statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit / loss for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Material Accounting Policies** 2

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No - 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN - 02977405

**Vedprakash Ragate**
Whole-time Director
DIN - 10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Consolidated Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## (a) Equity share capital

| | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 24,94,33,495 | 498.86 | 24,94,33,495 | 498.86 |
| Issued during the year | 8,68,500 | 1.74 | - | - |
| **Balance at the end of the year** | **25,03,01,995** | **500.60** | **24,94,33,495** | **498.86** |

## (b) Other equity

| | Other Equity (note 21) Attributable to equity shareholders | | | | | | | | | | Non-controlling interest (note 22) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium account | Employees stock options outstanding | General reserve | Treasury reserve | Translation reserve | Other reserves | Retained earnings | Reserve for equity instruments through other comprehensive income | Total other Equity | | |
| **Opening balance as at 01 April 2023** | 24.80 | 9,003.24 | 563.18 | 232.88 | (57.71) | (1,539.64) | (2,732.95) | 996.85 | (1.73) | 6,488.92 | 504.12 | 6,993.04 |
| Profit / (Loss) for the year | - | - | - | - | - | - | - | (358.69) | - | (358.69) | 62.56 | (296.13) |
| Other comprehensive income / (expenses) for the year, net of income tax | - | - | - | - | - | (638.38) | - | (16.54) | 0.66 | (654.26) | 2.73 | (651.53) |
| **Total comprehensive income / (expenses) for the year** | **-** | **-** | **-** | **-** | **-** | **(638.38)** | **-** | **(375.23)** | **0.66** | **(1,012.95)** | **65.29** | **(947.66)** |
| Recognition of share-based payments | - | - | 222.28 | - | - | - | - | - | - | 222.28 | - | 222.28 |
| Cost of treasury shares sold during the year | - | - | - | - | 32.99 | - | - | - | - | 32.99 | - | 32.99 |
| Profit on sale of Treasury Shares | - | - | - | - | - | - | - | 26.85 | - | 26.85 | - | 26.85 |
| Reinstatement of opening non-controlling interest on acquisition | - | - | - | - | - | - | - | - | - | - | (4.66) | (4.66) |
| Vested ESOP lapsed during the year | - | - | (12.38) | 12.38 | - | - | - | - | - | - | - | - |
| Hyperinflation adjustment (refer note 52) | - | - | - | - | - | - | - | 308.65 | - | 308.65 | - | 308.65 |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | (0.76) | (0.76) |
| **Balance as at 31 March 2024** | **24.80** | **9,003.24** | **773.08** | **245.26** | **(24.72)** | **(2,178.02)** | **(2,732.95)** | **957.12** | **(1.07)** | **6,066.74** | **563.99** | **6,630.73** |

# Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| | Other Equity (note 21) Attributable to equity shareholders | | | | | | | | | | Non-controlling interest (note 22) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium account | Employees stock options outstanding | General reserve | Treasury reserve | Translation reserve | Other reserves | Retained earnings | Reserve for equity instruments through other comprehensive income | Total other Equity | | |
| Profit for the year | - | - | - | - | - | - | - | 218.78 | - | 218.78 | 103.81 | 322.59 |
| Other comprehensive income / (expenses) for the year, net of income tax | - | - | - | - | - | (214.65) | - | (4.39) | (0.31) | (219.35) | 3.20 | (216.15) |
| **Total comprehensive income / (expenses) for the year** | **-** | **-** | **-** | **-** | **-** | **(214.65)** | **-** | **214.39** | **(0.31)** | **(0.57)** | **107.01** | **106.44** |
| Recognition of share-based payments | - | - | 324.05 | - | - | - | - | - | - | 324.05 | - | 324.05 |
| Reinstatement of opening non-controlling interest | - | - | - | - | - | - | - | - | - | - | (3.28) | (3.28) |
| Premium on exercise of options - proceeds received | - | 201.21 | - | - | - | - | - | - | - | 201.21 | - | 201.21 |
| Employee stock options issued during the year | - | - | (129.17) | - | - | - | - | - | - | (129.17) | - | (129.17) |
| Hyperinflation adjustment (refer note 52) | - | - | - | - | - | - | - | 98.17 | - | 98.17 | - | 98.17 |
| Acquisition of stake from Non Controlling Interest (NCI) | - | - | - | - | - | - | - | (16.29) | - | (16.29) | 9.64 | (6.65) |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | (18.48) | (18.48) |
| **Balance as at 31 March 2025** | **24.80** | **9,204.45** | **967.96** | **245.26** | **(24.72)** | **(2,392.67)** | **(2,732.95)** | **1,253.39** | **(1.38)** | **6,544.14** | **658.88** | **7,203.02** |

**Material Accounting Policies 2**

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No - 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN - 02977405

**Vedprakash Ragate**
Whole-time Director
DIN - 10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

All amounts are in ₹ million unless otherwise stated

## 1. CORPORATE INFORMATION

SeQuent Scientific Limited (the "Company") is a Company incorporated and domiciled in India and has its registered office located at 3rd Floor, Srivalli's Corporate, Plot no. 290, SYN 33 34P To 39, Guttala Begumpet, Jubilee Hills, Shaikpet, Hyderabad – 500033, Telangana, India. The shares of the Company are publicly traded on the National Stock Exchange of India Limited and BSE Limited. The Company is a leading integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (APIs and finished dosage formulations) and analytical services.

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

## 2. MATERIAL 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 and as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

### (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.

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 payments transaction as defined in Ind AS 102 – Share-based payments.
- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that has 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.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### (iii) Functional and presentation currency

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

### (iv) Basis of consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries drawn up to the dates specified in note 47. Subsidiaries are all entities over which the Parent 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 interest. The total comprehensive income of subsidiaries is attributed

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Non-controlling 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 are 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 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 interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If the excess is a negative, a bargain purchase gain is recognised in capital reserve.

Goodwill arising on an acquisition of a business is carried at a cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

**(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

All amounts are in ₹ million unless otherwise stated

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.

Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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**

The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss.

**Sale of goods**

Revenue from sale of products is presented in the income statement within revenue from operations. The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, expiry, rebates, incentives and of customer discounts.

Revenue is recognised when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognised when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of the revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates / incentives are estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognised in the period in which the underlying sales are recognised based on an estimate basis. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers.

**Services**

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

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

**Export entitlements**

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

**Interest and dividend income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the 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. Effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

**(viii) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies (xix)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Nature of the assets | Useful life in years |
|---|---|
| ROU- Land | 50-99 |
| ROU- Building | 3-99 |
| ROU- Computers | 5 |
| ROU- Vehicle | 3-4 |
| ROU- plant and machinery | 3-6 |

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

All amounts are in ₹ million unless otherwise stated

iii) **Short-term leases and leases of low-value assets:**

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(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 consolidated statement of profit and loss in the year in which it arises except for:

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

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

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

Exchange difference on capital expenditure are capitalised only to the extent attributable of borrowing costs and balance is charged to the consolidated statement of profit and loss.The financial statements of group companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation and then translated into ₹ using the balance sheet exchange rate (Also refer note xxvii below).

**(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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 consolidated statement of profit and loss in the period in which they are incurred.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

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**(xi) Employee benefits**

a) Defined contribution plans:

The Company has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Group has no further obligation beyond making the contributions. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when employee renders related service.

b) Defined benefit plans:

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

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

The gratuity scheme is funded by the Group with Life Insurance Corporation of India.

For defined benefit plans, the cost of providing benefit is determined using the 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 consolidated statement of profit and loss. Past service cost is recognised in the consolidated 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. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. 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 gain / (loss).

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

c) Short-term employee benefits

A liability is recognised for short-term employee benefit in respect of wages and salaries, annual 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.

d) Other employee benefits

Other employee benefits comprise of leave encashment, which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other 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 employees up to the reporting date.

**(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 50.

All amounts are in ₹ million unless otherwise stated

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 consolidated 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 consolidated 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

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

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities as per local Income Tax Acts of respective countries. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have any significant impact on the consolidated financial statements of the Company.

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.

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.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items recognised outside the consolidated statement of profit and loss is recognised either in other comprehensive income or in equity.

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for the year ended 31 March 2025

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**(xiv) Property, plant and equipment**

Recognition and measurement

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

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 |
|---|---|
| Factory building | 10-30 |
| Plant and machinery | 2-16 |
| Furniture and fixtures | 10-16 |

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

Depreciation on additions / deletions to property, plant and equipment is provided pro rata from the month of addition / till the month of deletion.

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 consolidated statement of profit and loss as incurred.

Derecognition of property, plant & equipment

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

**(xv) Intangible assets**

a) Intangible assets acquired separately

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

b) Internally generated intangible asset- research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally generated intangible asset arising from development 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;

All amounts are in ₹ million unless otherwise stated

- 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 consolidated statement of profit and loss in the period in which it is incurred.

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

### c) Subsequent costs

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

### d) Intangible assets acquired in a business combination

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

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

### e) Useful lives of intangible assets

Estimate useful lives of the intangible assets are as follow:

| Nature of the assets | Useful life in years |
|---|---|
| Product / process development | 5 |
| Marketing rights | 5 |
| Software | 3-5 |
| Brand | 5-20 |
| Customer relationship | 5 |
| Registration fees | 2-10 |

### f) 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 consolidated 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 (FIFO) Basis as follows:

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

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

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**(iii) Finished goods:** At material cost, conversion costs and an appropriate share of production overheads based on normal capacity.

**(iv) Stock-in-trade:** At purchase and other costs incurred in bringing the inventories to their present location and condition.

However, materials and other items held for use in production of inventory are not written down below cost, if the finished product in which they will be used are expected to be sold at or above cost.

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

**(xvii) Provisions and contingent liabilities**

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

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. 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**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 marketplace (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 marketplace (regular way trade) are recognised on trade date.

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

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

All amounts are in ₹ million unless otherwise stated

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

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

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

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

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

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

(iv) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred, and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new assets obtained less any new liability assumed) shall be recognised in the consolidated 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 are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

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(iii) 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 consolidated statement of profit and loss.

c) Derivative financial instruments

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

d) Financial guarantee contracts

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

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

> The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and

> The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from contract with customers.

e) 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 consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

> Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

> For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the consolidated statement of profit and loss.

> For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the consolidated 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 receivables The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at the end of each reporting period, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

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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.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables 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 consolidated statement of profit and loss. This amount is reflected under the head other expenses in the consolidated 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 balance sheet date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine to the 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 pro rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

### (xx) Earnings per share (EPS)

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by 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

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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 equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

**(xxiii) Segment**

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

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment. The Group is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Group, the Group has only one business segment viz; pharmaceuticals as primary reportable segment.

**(xxiv) Cash dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(xxv) Fair value measurement**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability or

> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All amounts are in ₹ million unless otherwise stated

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(xxvi) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when:

-It is expected to be realised or intended to be sold or consumed in normal operating cycle,

- It is held primarily for the purpose of trading,

- It is expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,

- It is held primarily for the purpose of trading,

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**(xxvii) Hyperinflationary Economies**

The Group applies IND AS 29 'Financial Reporting in Hyperinflationary Economies' for the subsidiaries whose functional currency is the currency of Hyperinflation economy. In determining whether the economy is under the hyperinflation, both qualitative and quantitative factors are considered, including whether the cumulative inflation rate over three years is approaching, or exceeds, 100%.

The application of IND AS 29 includes:

- adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;

- adjustment of revenue and expenses for inflation during the reporting period;

- adjustment in statement of profit and loss account to reflect the impact of inflation rate movement on holding non-monetary assets and liabilities (including equity) in hyperinflationary currency; and

- adjustment of inflation on goodwill in retained earnings (refer note 52).

Further, in accordance with Ind AS 21 'The Effects of Changes in Foreign Exchange Rates', the comparatives amounts in the Consolidated Financial Statements are not adjusted for subsequent changes in the price level i.e. consumer price index for the hyperinflationary economy.

**(xxviii) Exceptional Items**

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

# Notes to the Consolidated Financial Statements

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## 2A. Use of estimates and management judgements

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

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

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

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

**(ii) Impairment**

An impairment loss is recognised for the amount by which an asset's / investment'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 assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

**(iv) Fair value**

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

**(v) Post-retirement benefit plans**

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

**(vi) Provisions and contingencies**

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

**(vii) Share based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses black scholes model Employee Share Option Plan. The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 50.

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

### 3a Property, plant and equipment (PPE)

| Cost | Freehold land | Lease hold improvement | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **94.77** | **10.23** | **1,225.27** | **78.40** | **28.55** | **88.65** | **2,925.84** | **138.56** | **4,590.28** |
| Additions during the year | 2.90 | 4.60 | 184.63 | 7.92 | 3.63 | 11.99 | 519.27 | 10.08 | 745.02 |
| Hyperinflation adjustment (Refer note 52) | 1.30 | - | 21.22 | 2.58 | 1.74 | 0.72 | 40.50 | 8.71 | 76.77 |
| Effect of foreign currency exchange differences | (6.51) | 0.14 | (56.80) | (5.39) | (0.87) | (0.63) | (81.76) | (32.24) | (184.08) |
| Less: Assets classified as held for sale (Refer note 3b(i)) | 0.36 | - | 63.78 | - | - | - | - | - | 64.13 |
| Less: Deletions during the year | - | - | 1.05 | 2.34 | 0.88 | 8.07 | 206.11 | 18.06 | 236.51 |
| **Balance as at 31 March 2024** | **92.10** | **14.97** | **1,309.49** | **81.17** | **32.17** | **92.66** | **3,197.74** | **107.05** | **4,927.35** |
| Additions during the year | - | 3.60 | 35.04 | 15.45 | 4.67 | 34.14 | 238.44 | 8.05 | 339.39 |
| Hyperinflation adjustment (Refer note 52) | 1.40 | - | 13.61 | (4.39) | 1.40 | 0.70 | 32.71 | 4.65 | 50.08 |
| Effect of foreign currency exchange differences | (0.50) | (1.80) | (33.71) | (3.26) | (3.59) | (2.95) | (78.68) | (38.60) | (163.09) |
| Less: Assets classified as held for sale (Refer note 3a(iv)) | 8.09 | - | - | - | - | - | - | - | 8.09 |
| Less: Deletions during the year | - | - | 0.44 | 0.60 | 0.65 | 9.13 | 30.12 | 8.84 | 49.78 |
| **Balance as at 31 March 2025** | **84.91** | **16.77** | **1,323.99** | **88.37** | **34.00** | **115.42** | **3,360.09** | **72.31** | **5,095.86** |

| Accumulated depreciation | Freehold land | Lease hold improvement | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **-** | **3.40** | **303.70** | **40.30** | **22.03** | **61.35** | **1,725.98** | **101.39** | **2,258.16** |
| Depreciation expenses for the year (refer note 39) | - | 0.36 | 70.14 | 7.91 | 2.43 | 13.02 | 345.18 | 8.38 | 447.42 |
| Hyperinflation adjustment (Refer note 52) | - | - | 4.43 | 2.16 | 1.09 | 0.60 | 28.94 | 7.60 | 44.82 |
| Effect of foreign currency exchange differences | - | 0.02 | (6.65) | (3.86) | (0.63) | (0.86) | (62.39) | (18.58) | (92.97) |
| Less: Assets classified as held for sale (Refer note 3b(i)) | - | - | 20.62 | - | - | - | - | - | 20.62 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| Accumulated depreciation | Freehold land | Lease hold improvement | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| Less: Deletions during the year | - | - | 0.32 | 1.64 | 0.77 | 7.49 | 170.45 | 14.97 | 195.64 |
| **Balance as at 31 March 2024** | **-** | **3.78** | **350.68** | **44.87** | **24.15** | **66.62** | **1,867.26** | **83.82** | **2,441.18** |
| Depreciation expenses for the year (refer note 39) | - | 0.34 | 84.04 | 8.56 | 4.49 | 14.80 | 356.30 | 10.13 | 478.66 |
| Hyperinflation adjustment (Refer note 52) | - | - | 2.59 | (2.62) | 0.84 | 0.46 | 17.60 | 3.31 | 22.18 |
| Effect of foreign currency exchange differences | - | (0.16) | (12.23) | (1.21) | (3.42) | (2.14) | (71.14) | (37.22) | (127.52) |
| Less: Deletions during the year | - | - | 0.33 | 0.08 | 0.65 | 9.10 | 17.76 | 6.93 | 34.85 |
| **Balance as at 31 March 2025** | **-** | **3.96** | **424.75** | **49.52** | **25.41** | **70.64** | **2,152.26** | **53.11** | **2,779.65** |

| Carrying amount | Freehold land | Lease hold improvement | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2024** | **92.10** | **11.19** | **958.81** | **36.30** | **8.02** | **26.04** | **1,330.48** | **23.23** | **2,486.17** |
| **Balance as at 31 March 2025** | **84.91** | **12.81** | **899.24** | **38.85** | **8.59** | **44.78** | **1,207.83** | **19.20** | **2,316.21** |

**Notes: -**

i. Title deeds of all the immovable properties are held in the name of the respective subsidiaries.

ii. Refer note 23 and 27 for charge created on the assets.

iii. Refer Note 46 for capital commitments.

iv. During the current year, the Group has classified carrying value of land of ₹ 8.09 million as "Assets held for sale", based on agreement entered by Bremer Pharma GmbH (overseas subsidiary in Germany) for sale of land for consideration of ₹ 25.40 million.

### 3b Right-of-Use assets (ROU)

| Cost | ROU - Land | ROU -Building | ROU -Computer | ROU -Vehicles | ROU - Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **562.53** | **286.63** | **10.07** | **24.74** | **41.37** | **925.34** |
| Additions during the year (Refer note 54) | - | - | - | 0.71 | - | 0.71 |
| Hyperinflation adjustment (Refer note 52) | - | 1.94 | - | - | 0.09 | 2.03 |
| Effect of foreign currency exchange differences | 0.01 | 44.30 | - | (0.03) | 0.61 | 44.89 |

All amounts are in ₹ million unless otherwise stated

**3b Right-of-Use assets (ROU) (Contd.)**

| Cost | ROU - Land | ROU -Building | ROU -Computer | ROU -Vehicles | ROU - Plant and machinery | Total |
|---|---|---|---|---|---|---|
| Less: Assets classified as held for sale (Refer note (i) below) | 80.78 | - | - | - | - | 80.78 |
| Less: Deletions during the year | - | 40.67 | - | 4.59 | 40.80 | 86.06 |
| **Balance as at 31 March 2024** | **481.76** | **292.20** | **10.07** | **20.83** | **1.27** | **806.13** |
| Additions during the year (Refer note 54) | - | 26.54 | - | 53.33 | - | 79.87 |
| Hyperinflation adjustment (Refer note 52) | - | 1.61 | - | 10.64 | - | 12.25 |
| Add:Effect of foreign currency exchange differences | - | 3.52 | 0.08 | 0.57 | 0.88 | 5.05 |
| Less: Deletions during the year | 1.19 | 21.50 | 10.15 | - | 2.15 | 34.99 |
| **Balance as at 31 March 2025** | **480.57** | **302.37** | **-** | **85.37** | **-** | **868.31** |

| Accumulated depreciation | ROU - Land | ROU -Building | ROU -Computer | ROU -Vehicles | ROU - Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **24.88** | **172.61** | **10.07** | **17.40** | **25.09** | **250.05** |
| Depreciation expenses for the year (refer note 39) | 5.97 | 52.63 | - | 3.76 | 0.04 | 62.41 |
| Effect of foreign currency exchange differences | - | 32.67 | - | (0.12) | 0.45 | 33.00 |
| Less: Assets classified as held for sale (Refer note (i) below) | 4.75 | - | - | - | - | 4.75 |
| Less: Deletions during the year | - | 22.21 | - | 3.32 | 24.31 | 49.85 |
| **Balance as at 31 March 2024** | **26.10** | **235.70** | **10.07** | **17.72** | **1.27** | **290.86** |
| Depreciation expenses for the year (refer note 39) | 5.32 | 51.14 | - | 11.41 | - | 67.87 |
| Effect of foreign currency exchange differences | - | 2.98 | 0.08 | 0.41 | 0.60 | 4.07 |
| Less: Deletions during the year | 0.59 | 9.19 | 10.15 | - | 1.87 | 21.80 |
| **Balance as at 31 March 2025** | **30.83** | **280.63** | **-** | **29.54** | **-** | **341.00** |

| Carrying amount | ROU - Land | ROU -Building | ROU -Computer | ROU -Vehicles | ROU - Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2024** | **455.66** | **56.50** | **-** | **3.11** | **-** | **515.27** |
| **Balance as at 31 March 2025** | **449.74** | **21.74** | **-** | **55.83** | **-** | **527.31** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**3b Right-of-Use assets (ROU) (Contd.)**

**Notes: -**

(i) During the previous year ended 31 March 2024, the Group had entered into a Memorandum of Understanding (MOU) for the transfer of leasehold rights and building at its Tarapur facility for a consideration of ₹ 115.80 million (consideration revised to ₹ 114.20 million during the current year) against which an advance of ₹ 81 million were received as at 31 March 2024. The carrying value of leasehold rights ₹ 40.87 million and freehold land and building ₹ 43.16 million had been classified as "Asset held for Sale" as at 31 March 2024. In this regard, during the current year ended 31 March 2025, the Group has recognised gain of ₹ 30.17 million under the head 'Other Income' on execution of the deed of assignment for transfer of the said assets.

(ii) During the current year, the Group has executed the deed of assignment for the transfer of leasehold rights for Ambernath land for a revised consideration of ₹ 35.20 million and recognized profit of ₹ 0.04 million under the head 'Other Income'. The carrying value of the leasehold land ₹ 35.16 million was classified as "Asset held for sale" as at 31 March 2024.

**3c Capital work-in-progress**

**i. Ageing schedule as at 31 March 2025**

| Project Name | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 150.79 | - | - | - | 150.79 |

**i. Ageing schedule as at 31 March 2024**

| Project Name | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 88.36 | 22.45 | - | - | 110.81 |

**ii. Projects whose completion is overdue as compared to its original plan as at 31 March 2025**

| Project Name | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 117.35 | - | - | - | 117.35 |

**ii. Projects, whose completion is overdue as compared to its original plan as at 31 March 2024**

| Project Name | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 66.79 | 12.48 | - | - | 79.27 |

All amounts are in ₹ million unless otherwise stated

## 4 Goodwill

| Carrying amount of: | As at 31 March 2025 | As at 31 Mar 2024 |
|---|---|---|
| Goodwill | 2,487.94 | 2,349.34 |
| | **2,487.94** | **2,349.34** |

| | As at 31 March 2025 | As at 31 Mar 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 2,349.34 | 2,400.42 |
| Hyperinflation Impact | 160.62 | 6.59 |
| Effect of foreign currency exchange differences | (22.02) | (57.67) |
| **Balance at the end of the year** | **2,487.94** | **2,349.34** |

### 4.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units. The carrying amount of goodwill allocated to cash-generating units is as follows:

| Group (CGU) | As at 31 March 2025 | As at 31 Mar 2024 |
|---|---|---|
| Turkey group | 832.34 | 685.94 |
| Spain group | 728.63 | 712.00 |
| Fendigo group | 312.86 | 305.72 |
| Brazil Group | 371.17 | 411.90 |
| Sweden Group | 114.56 | 105.40 |
| SeQuent Research Limited | 94.53 | 94.53 |
| Others | 33.85 | 33.85 |
| **Total** | **2,487.94** | **2,349.34** |

Goodwill is monitored by the Group at each cash-generating unit (CGU) level. The Group tests goodwill for impairment on an annual basis. The recoverable amount has been determined based on value in use calculations which uses cash flow projections based on financial budgets covering a period of five years The planning horizon reflects the assumptions for short to mid-term market developments. The key assumptions used for the calculations were as follows:

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Discount rate | 10.5% - 31% | 11% - 25% |
| Long term growth rate | 2% - 7% | 2% - 7.5% |

The management believe that any reasonably possible change in the key assumption on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 5 Other intangible assets

| Cost | Product / process development | Software | Brands, marketing rights and trade mark | Customer relationship | Registration fees | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **102.22** | **160.73** | **1,066.78** | **69.02** | **83.52** | **1,482.27** |
| Additions during the year | - | 20.50 | - | - | 3.74 | 24.24 |
| Hyperinflation adjustment (Refer note 52) | - | 3.13 | 0.66 | - | - | 3.79 |
| Effect of foreign currency exchange differences | 0.98 | (6.98) | 3.72 | - | 0.58 | (1.70) |
| Less: Deletions during the year | - | 0.24 | - | - | - | 0.24 |
| **Balance as at 31 March 2024** | **103.20** | **177.14** | **1,071.16** | **69.02** | **87.84** | **1,508.36** |
| Additions during the year | - | 64.17 | - | - | 18.67 | 82.84 |
| Hyperinflation adjustment (Refer note 52) | - | 2.01 | - | - | - | 2.01 |
| Effect of foreign currency exchange differences | (1.61) | (9.98) | 1.16 | - | 1.19 | (9.24) |
| Less: Deletions during the year | - | 4.69 | - | - | - | 4.69 |
| **Balance as at 31 March 2025** | **101.59** | **228.65** | **1,072.32** | **69.02** | **107.70** | **1,579.28** |

| Accumulated amortisation | Product / process development | Software | Brands, marketing rights and trade mark | Customer relationship | Registration fees | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **76.81** | **126.31** | **534.33** | **69.02** | **30.52** | **836.99** |
| Amortisation expense for the year (refer note 39) | 7.44 | 10.46 | 78.95 | - | 8.72 | 105.57 |
| Hyperinflation adjustment (Refer note 52) | - | 2.30 | - | - | - | 2.30 |
| Effect of foreign currency exchange differences | 0.30 | (5.07) | (0.47) | - | 0.22 | (5.02) |
| Less: Deletions during the year | - | 0.18 | - | - | - | 0.18 |
| **Balance as at 31 March 2024** | **84.55** | **133.82** | **612.81** | **69.02** | **39.46** | **939.66** |
| Amortisation expense for the year (refer note 39) | 5.06 | 16.73 | 79.14 | - | 17.05 | 117.98 |
| Hyperinflation adjustment (Refer note 52) | - | 1.35 | - | - | - | 1.35 |
| Effect of foreign currency exchange differences | (0.72) | (6.34) | 0.70 | - | 0.35 | (6.01) |
| Less: Deletions during the year | - | 2.57 | - | - | - | 2.57 |
| **Balance as at 31 March 2025** | **88.89** | **142.99** | **692.65** | **69.02** | **56.86** | **1,050.41** |

All amounts are in ₹ million unless otherwise stated

## 5 Other intangible assets (Contd.)

| Carrying amount | Product / process development | Software | Brands, marketing rights and trade mark | Customer relationship | Registration fees | Total |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2024** | **18.65** | **43.32** | **458.35** | **-** | **48.38** | **568.70** |
| **Balance as at 31 March 2025** | **12.70** | **85.66** | **379.67** | **-** | **50.84** | **528.87** |

### 5a Intangible assets under development

| Particular | As at 31-Mar-2025 | As at 31-Mar-2024 |
|---|---|---|
| Intangible assets under development* | 5.57 | 48.51 |

*Intangible assets under development include website and software development costs.

### i. Ageing schedule as at 31 March 2025

| Project Name | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2.87 | 2.70 | - | - | 5.57 |

### i. Ageing schedule as at 31 March 2024

| Project Name | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 22.15 | 14.06 | 12.30 | - | 48.51 |

### ii. Projects, whose completion is overdue as compared to its original plan as at 31 March 2025

| | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 5.01 | - | - | - | 5.01 |

### ii. Projects, whose completion is overdue as compared to its original plan as at 31 March 2024

| | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |

## 6 Non-current investments

| | | Face Value | No. of shares | As at 31-Mar-2025 | No. of shares | As at 31-Mar-2024 |
|---|---|---|---|---|---|---|
| **A** | **Unquoted equity instruments (fully paid-up) carried at fair value through Profit or Loss** | | | | | |
| i) | Ambarnath Chemical Manufacturers Association | ₹ 10.00 | 1,000 | 0.01 | 1,000 | 0.01 |
| ii) | Tarapur Industrial Manufacturers Association | ₹ 10.00 | 2,000 | 0.04 | 2,000 | 0.04 |
| | **Total (A)** | | | **0.05** | | **0.05** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 6 Non-current investments (Contd.)

| | | Face Value | No. of shares | As at 31-Mar-2025 | No. of shares | As at 31-Mar-2024 |
|---|---|---|---|---|---|---|
| **B** | **Unquoted mutual funds - carried at fair value through profit or loss** | | | | | |
| i) | Aditya Birla Sun Life Low Duration Fund (Growth)* | ₹ 100.00 | - | - | 14,777 | 8.88 |
| | **Total (B)** | | | **-** | | **8.88** |
| | **Total (A+B)** | | | **0.05** | | **8.93** |
| | Aggregate carrying value of unquoted investments | | | 0.05 | | 0.05 |
| | Aggregate net asset value of investment in mutual funds | | | - | | 8.88 |
| | Aggregate amount of impairment in value of investments | | | - | | - |

*As at 31 March 2024, the above mutual funds were marked as lien in favour of Aditya Birla Finance Limited in respect of borrowing facilities availed by the Group. The borrowings have been repaid during the year and the mutual funds are redeemed.

## 7 Other non-current financial assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Margin money deposits (Refer note below) | 0.24 | 0.12 |
| Security deposits | 59.85 | 56.25 |
| Others | 44.94 | 66.53 |
| **Total** | **105.03** | **122.90** |

**Note:**

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

## 8 Deferred tax assets (net) (refer note 43)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| - Temporary differences on account of depreciation | 11.17 | 128.40 |
| - Expenses allowable on payment basis | 68.78 | 65.46 |
| - Temporary differences on account of hyperinflation | (3.81) | 24.25 |
| - Unabsorbed depreciation and carried forward of losses | 694.83 | 396.37 |
| - Temporary differences on account of right-of-use assets | 16.17 | 15.74 |
| - Temporary differences on account of transactions costs related to merger | 15.32 | - |
| - Temporary differences on account of unamortised borrowing costs | (12.80) | - |
| - Others | 40.56 | (24.43) |
| - MAT credit entitlement | 196.94 | 177.76 |
| **Total** | **1,027.16** | **783.55** |

## 9 Income tax assets (net)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Advance income tax (net of provision : ₹393.24) (31 March 2024 : ₹504.72) | 96.56 | 129.52 |
| | **96.56** | **129.52** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 10 Other non-current assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital advances | 1.10 | 2.53 |
| Prepaid expenses | 2.40 | 12.32 |
| Balance with government authority | 1.58 | 1.52 |
| Subsidy Receivable | 31.56 | 35.21 |
| **Total** | **36.64** | **51.58** |

## 11 Inventories

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Raw materials and packing materials | 1,373.75 | 1,131.91 |
| Goods-in-transit (inward) | 27.43 | 35.15 |
| | **1,401.18** | **1,167.06** |
| Work-in-progress and intermediates | **599.88** | **533.63** |
| Finished goods | 1,341.09 | 1,221.98 |
| Stock-in-trade | 310.67 | 363.00 |
| Goods-in-transit (outward) | 194.51 | 171.11 |
| Fuel & Consumables | 5.84 | 5.54 |
| **Total Inventories (Lower of Cost or Net realisable value (NRV))** | **3,853.17** | **3,462.32** |

**Note:**

(i) During the year ended 31 March 2025, ₹ 122.65 (31 March 2024 : ₹ 85.70) net was recognised as an expense towards provision for slow moving, expired, near expiry inventories and impact of inventories carried at net realisable value.

## 12 Current investments

| | | Face value | No. of shares / units | As at 31-Mar-2025 | No. of shares / units | As at 31-Mar-2024 |
|---|---|---|---|---|---|---|
| **A** | **Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income** | | | | | |
| i) | Techindia Nirman Limited | ₹ 10 | 280 | 0.01 | 280 | -* |
| ii) | Agritech (India) Limited | ₹ 10 | 4,927 | 0.67 | 4,927 | 1.12 |
| | **Total (A)** | | | **0.68** | | **1.12** |
| **B** | **Other unquoted equity instruments (fully paid-up) carried at fair value through other comprehensive income** | | | | | |
| i) | Agrodutch Industries Limited | ₹ 10 | 36,250 | - * | 36,250 | - * |
| ii) | Aditya Investment & Communication Limited | ₹ 10 | 58,800 | - * | 58,800 | - * |
| | **Total (B)** | | | **- *** | | **- *** |
| **C** | **Quoted mutual funds - carried at fair value through profit or loss** | | | | | |
| i) | Aditya Birla Sun Life Low Duration Fund (Growth) | ₹ 100 | - | - | 74,230 | 25.01 |
| | **Total (C)** | | | **-** | | **25.01** |
| | **Total (A + B + C)** | | | **0.68** | | **26.13** |
| Aggregate market value of quoted investments | | | | **0.68** | | **1.12** |
| Aggregate net asset value of investment in quoted mutual funds | | | | **-** | | **25.01** |
| Aggregate amount of impairment in value of investments | | | | **-** | | **-** |

* Represent amounts lower than ₹ 10,000.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 13 Trade receivables

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Unsecured, Considered good | 3,631.66 | 3,356.31 |
| Unsecured, Considered doubtful | 37.57 | 33.48 |
| | **3,669.23** | **3,389.79** |
| Less: Allowance for doubtful trade receivables | 37.57 | 33.48 |
| **Total** | **3,631.66** | **3,356.31** |

**Notes:**

1. No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except disclosed in note 48.

2. Trade receivables ageing is as below

### As at 31 March 2025

| Particular | Outstanding for following periods From due date of Payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Current but not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 3,019.70 | 484.47 | 116.99 | 8.98 | 1.52 | - | 3,631.66 |
| (ii) Undisputed Trade Receivables -which have significant increase in credit risk | - | - | 0.13 | 0.09 | 0.10 | 0.21 | 0.53 |
| (iii) Undisputed Trade Receivables -Credit impaired | 1.40 | 0.69 | 8.29 | 0.38 | 4.88 | 17.88 | 33.52 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit impaired | - | - | 0.07 | 2.04 | - | 1.41 | 3.52 |
| **Total** | **3,021.10** | **485.16** | **125.48** | **11.49** | **6.50** | **19.50** | **3,669.23** |

### As at 31 March 2024

| Particular | Outstanding for following periods From due date of Payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Current but not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 2,787.79 | 386.91 | 91.79 | 80.24 | 7.50 | 0.26 | 3,354.49 |
| (ii) Undisputed Trade Receivables -which have significant increase in credit risk | - | - | 3.59 | 5.42 | 0.85 | 6.61 | 16.47 |
| (iii) Undisputed Trade Receivables -Credit impaired | - | 7.93 | 0.74 | 0.26 | - | - | 8.93 |
| (iv) Disputed Trade Receivables - considered good | - | - | 1.82 | - | - | - | 1.82 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | 0.27 | - | - | - | 0.27 |
| (vi) Disputed Trade Receivables - Credit impaired | - | - | 0.15 | 0.09 | 5.97 | 1.60 | 7.81 |
| **Total** | **2,787.79** | **394.84** | **98.36** | **86.01** | **14.32** | **8.47** | **3,389.79** |

**Note -** There are no unbilled trade receivables, hence the same is not disclosed in the ageing schedule.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 14 Cash and cash equivalents

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Balances with banks** | | |
| - In current accounts | 608.70 | 641.62 |
| - Deposits with banks having Original maturity of less than 3 months | 14.89 | 4.88 |
| Cheque in hand | 2.25 | 1.00 |
| Cash on hand | 0.76 | 0.60 |
| **Total** | **626.60** | **648.10** |
| Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flows | **626.60** | **648.10** |

## 15 Bank balances other than above (note 14)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Deposits with banks having Original maturity of more than 3 months but less than 12 months | 3.50 | - |
| **In earmarked accounts** | | |
| - Unpaid dividend accounts | 0.29 | 0.29 |
| - Margin money deposits (refer note below) | 60.32 | 49.91 |
| **Total** | **64.11** | **50.20** |

**Note:** Balance in margin money deposits are marked as lien with bank

## 16 Financial assets-loan (current)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loan to employees | 2.12 | 1.41 |
| **Total** | **2.12** | **1.41** |

## 17 Other current financial assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Claims receivable | 5.79 | 2.28 |
| Foreign exchange forward contracts at FVTPL | 0.26 | 2.08 |
| Interest accrued on fixed deposits | 3.69 | 1.02 |
| Others receivable* | 1.26 | 13.62 |
| **Total** | **11.00** | **19.00** |

* During the previous year "others receivable" includes receivable in respect of sale of property, plant and equipment.

## 18 Income tax assets (net)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Advance tax (net of provision : ₹ 174.95) (31 March 2024 : ₹ 175.11) | 2.53 | 3.72 |
| | **2.53** | **3.72** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 19 Other current assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to suppliers | 80.66 | 67.76 |
| Balances with government authorities | 381.68 | 389.71 |
| Prepaid expenses | 69.74 | 66.96 |
| Others | 5.29 | 17.75 |
| **Total** | **537.37** | **542.18** |

## 20 Equity share capital

| | No. of Shares | As at 31-Mar-2025 | No. of Shares | As at 31-Mar-2024 |
|---|---|---|---|---|
| **(a) Authorised** | | | | |
| Equity shares of ₹ 2 each | 40,00,00,000 | 800.00 | 40,00,00,000 | 800.00 |
| **(b) Issued, subscribed and fully paid-up** | | | | |
| Equity shares of ₹ 2 each | 25,03,01,995 | 500.60 | 24,94,33,495 | 498.86 |
| **Total** | | **500.60** | | **498.86** |

**Notes:**

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

| Fully paid equity shares | No. of Shares | Amount |
|---|---|---|
| **Balance as at 31 March 2023** | **24,94,33,495** | **498.86** |
| Shares issued during the year | - | - |
| **Balance as at 31 March 2024** | **24,94,33,495** | **498.86** |
| Shares issued during the year | 8,68,500 | 1.74 |
| **Balance as at 31 March 2025** | **25,03,01,995** | **500.60** |

**(ii) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

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

| Name of the shareholder | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| CA Harbor Investments | 13,16,80,103 | 52.61% | 13,16,80,103 | 52.79% |
| Quant Mutual Fund - Quant Healthcare Fund | 2,38,48,370 | 9.53% | - | - |

All amounts are in ₹ million unless otherwise stated

## 20 Equity share capital (Contd.)

**(iv) Details of shares held by promoter**

| Sr. No. | Name of promoter | As at 31 March 2025 | | | As at 31 March 2024 | | |
|---|---|---|---|---|---|---|---|
| | | No of shares | % of total Shares | % Change during the year | No of shares | % of total Shares | % Change during the year |
| 1 | CA Harbor Investments | 13,16,80,103 | 52.61% | -0.18% | 13,16,80,103 | 52.79% | - |

**(v)** 4,12,250 shares of ₹ 2 each (31 March 2024 : 4,12,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

## 21 Other equity

| | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| a) | Capital reserve | 24.80 | 24.80 |
| b) | Securities premium account | 9,204.45 | 9,003.24 |
| c) | Employees stock options outstanding account | 967.96 | 773.08 |
| d) | General reserve | 245.26 | 245.26 |
| e) | Retained earnings | 1,253.39 | 957.12 |
| f) | Reserve for equity instruments through Other comprehensive income | (1.38) | (1.07) |
| g) | Treasury reserve | (24.72) | (24.72) |
| h) | Translation reserve | (2,392.67) | (2,178.02) |
| i) | Other reserves | (2,732.95) | (2,732.95) |
| | **Total** | **6,544.14** | **6,066.74** |

| | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **(a)** | **Capital reserve** | | |
| | Balance at the beginning of the year | 24.80 | 24.80 |
| | **Balance at the end of the year** | **24.80** | **24.80** |
| **(b)** | **Securities premium account** | | |
| | Balance at the beginning of the year | 9,003.24 | 9,003.24 |
| | Add: Premium on exercise of options - proceeds received | 201.21 | - |
| | **Balance at the end of the year** | **9,204.45** | **9,003.24** |
| **(c)** | **Employees stock options outstanding account** | | |
| | Balance at the beginning of the year | 773.08 | 563.18 |
| | Add: Employee stock option expenses for Group | 324.05 | 222.28 |
| | Less: Exercise of options | (129.17) | - |
| | Less: Transferred to general reserve on vested ESOP lapsed during the year | - | (12.38) |
| | **Balance at the end of the year** | **967.96** | **773.08** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 21 Other equity (Contd.)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **(d) General reserve** | | |
| Balance at the beginning of the year | 245.26 | 232.88 |
| Add: Vested options lapsed during the year | - | 12.38 |
| **Balance at the end of the year** | **245.26** | **245.26** |
| **(e) Retained earnings** | | |
| Balance at the beginning of the year | 957.12 | 996.85 |
| Add: Profit / (Loss) for the year | 218.78 | (358.69) |
| Add: Hyperinflation adjustment (refer note 52) | 98.17 | 308.65 |
| Add: Profit on sale of Treasury Shares | - | 26.85 |
| Less: Acquistion of stake from NCI | (16.29) | - |
| Less: Other comprehensive income / (expense) arising from remeasurement of defined benefit obligations, net of income tax | (4.39) | (16.54) |
| **Balance at the end of the year** | **1,253.39** | **957.12** |
| **(f) Reserve for equity instruments through other comprehensive income** | | |
| Balance at the beginning of the year | (1.07) | (1.73) |
| Add / (less): Net fair value gain / (loss) on investment in equity instruments at FVTOCI | (0.31) | 0.66 |
| **Balance at the end of the year** | **(1.38)** | **(1.07)** |
| **(g) Treasury reserve** | | |
| Balance at the beginning of the year | (24.72) | (57.71) |
| Less: Cost of treasury shares sold during the year | - | 32.99 |
| **Balance at the end of the year** | **(24.72)** | **(24.72)** |
| **(h) Translation reserve** | | |
| Balance at the beginning of the year | (2,178.02) | (1,539.64) |
| Add / (less): Movement during the year | (211.45) | (635.65) |
| Add / (less): Transfer to non-controlling interest | (3.20) | (2.73) |
| **Balance at the end of the year** | **(2,392.67)** | **(2,178.02)** |
| **(i) Other reserves** | | |
| Balance at the beginning of the year | (2,732.95) | (2,732.95) |
| **Balance at the end of the year** | **(2,732.95)** | **(2,732.95)** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 21 Other equity (Contd.)

### Nature and purpose of Reserves

**(a) Capital reserve**

Capital reserves pertains to amalgamation of subsidiary company and the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

**(b) Securities premium account**

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued. The reserves can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(c) Share options outstanding account**

This relate to shares granted to the employees of the Group.

**(d) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**(e) Retained earnings**

Retained earnings are the profits / (loss) that the Company has earned / incurred till the date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

**(f) Reserve for equity instruments through other comprehensive income**

Reserve for equity instruments through other comprehensive income represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified, if any, to retained earnings when those instruments are disposed off.

**(g) Treasury reserve**

Treasury reserve represents the shares of the Company held by SeQuent Scientific Employee Stock Option Plan Trust.

**(h) Translation reserve**

These comprise of all exchange differences arising from translation of financial statements of foreign subsidiaries.

**(i) Other reserves**

Other reserves represents premium on acquisition of the additional stake after obtaining control in various subsidiaries.

## 22 Non-controlling interest (NCI)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Balance at the beginning of the year | 563.99 | 504.12 |
| Share of profit / (loss) for the year | 103.81 | 62.56 |
| Share of other comprehensive income / (expenses) for the year | 3.20 | 2.73 |
| Acquistion of stake from Non Controlling Interest (NCI) | 9.64 | - |
| Dividend Distributed to minority stakeholders | (18.48) | (0.76) |
| Effect of foreign currency exchange difference on opening NCI | (3.28) | (4.66) |
| **Balance at the end of the year** | **658.88** | **563.99** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 23. Non-current borrowings

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Secured term loan - at amortised cost** | | |
| From bank | 2,705.37 | 834.27 |
| From other parties | 7.78 | 403.33 |
| **Unsecured term loan - at amortised cost** | | |
| From bank | 25.64 | 180.06 |
| From other parties | - | 9.53 |
| **Total** | **2,738.79** | **1,427.19** |

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

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **A) Secured term loan from banks:** | | | |
| **Barclays Bank PLC Term Loan** : SeQuent Scientific Limited has provided guarantee and pledged 99.99% equity shares of Alivira Animal Health Limited, India and Alivira Animal Health Limited, India has pledged 100% equity shares of its overseas subsidiaries Alivira Animal Health Limited (Ireland), Provet Veteriner Urunleri San Ve Tic A S (Turkey), Alivira Saude Animal Brasil Participacoes Ltda (Brazil) and 60% equity shares of Vila Vina Participacions S.L. (Spain) to secure term loan facility. The term loan facility is also secured by way of a first pari passu charge on fixed assets at Visakhapatnam location of the company and a second charge on current assets of the company. Further, Alivira Animal Health Limited, Ireland has also provided guarantee jointly and severally with SeQuent Scientific Limited. | The term loan is repayable in April 2027 | 1,063.38 | - |
| **Barclays Bank PLC Term Loan** - Secured by a first pari passu charge/debenture on all assets (current and non-current) of Alivira Animal Health Limited, Ireland, a first pari passu charge on fixed assets at Visakhapatnam location and a second charge on current assets of Sequent Scientific Limited and Alivira Animal Health Limited, India, a pledge of shares of Alivira Animal Health Limited, India, Alivira Animal Health Limited, Ireland, 60% shares of Vila Vina, and shares of material subsidiaries Alivira Saude (Brazil) and Provet (Turkey) held by Alivira Animal Health Limited, Ireland, along with joint and several guarantees from Sequent Scientific Limited and Alivira Animal Health Limited, India, each for USD 29 million. | The term loan is repayable in April 2027 | 817.19 | - |

All amounts are in ₹ million unless otherwise stated

## 23 Non-current borrowings (Contd.)

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **HSBC Limited**: The loan was secured by first charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited, shortfall undertaking from SeQuent Scientific Limited, Charge of assignement on the intercompany loan given to Provet Veteriner Ürünleri San. Ve Tic. A. Ş. and floating charge on the current account of the company. | The loan was repayable in 18 quarterly instalments, commencing from July 2021. The loan was fully prepaid in May 2024 | - | 124.12 |
| **Citi Bank**: The loan was secured by first pari-passu charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited | The loan was repayable in 22 quarterly instalments, commencing from December 2022. The loan was fully prepaid in May 2024 | - | 302.65 |
| **Banco Sabadell**: The loan is secured by First pari-passu charge on fixed assets of the Karizoo Spain K4 building. | The loan is repayable in 180 monthly instalments, commencing from March 2013. Repayable fully by February 2028. | 3.22 | 4.65 |
| **HSBC Limited** - The loan was secured by first charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, unconditional irrevocable corporate guarantee of SeQuent Scientific Limited, shortfall undertaking from SeQuent Scientific Limited, and floating charge on the current account of the Alivira Animal Health Limited, Ireland. | The loan was repayable in 18 quarterly instalments, commencing from Jan 2023. The loan was fully prepaid in May 2024 | - | 204.86 |
| **HSBC Limited** - The loan was secured by first pari-passu charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited | The loan was repayable in 18 quarterly instalments starting from March 2023. The loan was fully prepaid in April 2024. | - | 82.82 |
| **Caixa Bank** - Comfort letter from Sequent Scientific Limited | The loan was repayable in 16 quarterly instalments, commencing from February 2024. The loan was fully prepaid in May 2024. | - | 94.24 |
| **Vakifbank Loan** - The loan was secured on trade receivable. | The loan is repayable in 36 monthly instalments, commencing from Aug 2023. | - | 20.93 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 23 Non-current borrowings (Contd.)

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **Bank Sinopac Co Ltd** - Secured by a first pari passu charge/debenture on all assets (current and non-current) of Alivira Animal Health Limited, Ireland, a first pari passu charge on fixed assets at Visakhapatnam location and a second charge on current assets of Sequent Scientific Limited and Alivira Animal Health Limited, India, a pledge of shares of Alivira Animal Health Limited, India, Alivira Animal Health Limited, Ireland, 60% shares of Vila Vina, and shares of material subsidiaries Alivira Saude (Brazil) and Provet (Turkey) held by Alivira Animal Health Limited, Ireland, along with corporate guarantees from Sequent Scientific Limited and Alivira Animal Health Limited, India, each for USD 29 million. | The term loan is repayable in April 2027 | 821.58 | - |
| **Total (A)** | | **2,705.37** | **834.27** |

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **B) Unsecured term loan from banks:** | | | |
| B.B.V.A. | The loan was repayable in 20 quarterly instalments, commencing from May 2023. The loan was fully prepaid in May 2024. | - | 67.56 |
| ABANCA | The loan is repayable in 60 monthly Instalments, commencing from May 2021. Repayable fully by May 2026. | 1.19 | 8.06 |
| Vakıfbank | The loan is repayable in 24 monthly installments commencing from September 2023. Repayable fully by August 2025. | - | 17.66 |
| Vakıfbank | The loan is repayable in 36 monthly installments commencing from June 2023. Repayable fully by May 2026. | 0.32 | 2.08 |
| B.B.V.A. | The loan is repayable in 36 monthly Instalments, commencing from March 2024. Repayable fully by March 2027. | 5.54 | 10.52 |
| B.S.C.H. | The loan is repayable in 60 monthly Instalments, commencing from February 2024. Repayable fully by February 2029. | 2.86 | 3.69 |
| Banco Sabadell | The loan is repayable in 60 monthly Instalments, commencing from November 2022. Repayable fully by October 2027. | 15.73 | 24.65 |
| Daycoval Bank | The loan is repayable in 36 monthly installments, commencing from March 2023. Repayable fully by March 2026. | - | 45.84 |
| **Total (B)** | | **25.64** | **180.06** |

All amounts are in ₹ million unless otherwise stated

## 23 Non-current borrowings (Contd.)

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **C) Secured term loan from other parties:** | | | |
| **Tata Capital Financial Services Limited - The loan was secured by first pari-passu charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited** | The loan was repayable in 16 equal quarterly Instalments, commencing from February 2025. Repaid fully in April 2024. | - | 187.50 |
| **Aditya Birla Finance Limited** - The loan was secured by exclusive charge on the entire fixed assets located at Mahad and Thane Office of Sequent Scientific Limited, India including immovable properties both present and future and was also secured by a charge on the current assets of Alivira Animal Health Limited, India. Further it was also secured by Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited. | The loan was repayable in 84 equated monthly installments starting from October 2023. Repaid fully in May 2024. | - | 125.75 |
| **Aditya Birla Finance Limited** - The loan was secured by exclusive charge on the entire fixed assets located at Mahad and Thane Office of Sequent Scientific Limited, India including immovable properties both present and future and also secured by a charge on the current assets of Sequent Research Limited. Further it was also secured by Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited. | The loan was repayable in 84 equated monthly installments starting from September 2023. Repaid fully in May 2024. | - | 82.72 |
| **Volkswagen Bank**: Hypothecation of vehicle. | The loan is repayable in 48 monthly Instalments, commencing from October 2023. Repayable fully by September 2027. | 0.84 | 1.99 |
| **BMW Finance**: Hypothecation of vehicle. | The loan is repayable in 48 monthly Instalments, commencing from July 2023. Repayable fully by June 2027. | 1.48 | 1.70 |
| **Volkswagen Bank**: Hypothecation of vehicle. | The loan is repayable in 36 monthly Instalments, commencing from November 2023. Repayable fully by October 2026. | 0.64 | 1.63 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 23 Non-current borrowings (Contd.)

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **Volkswagen Bank**: Hypothecation of vehicle. | The loan is repayable in 48 monthly Instalments, commencing from November 2023. Repayable fully by October 2027. | 1.33 | 2.04 |
| **BMW Bank**: Hypothecation of vehicle. | The loan is repayable in 48 monthly instalments, commencing from October 2024. Repayable fully by October 2027. | 3.49 | - |
| **Total (C)** | | **7.78** | **403.33** |

| Particulars | Terms of repayment | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **D) Unsecured term loan from other parties:** | | | |
| Tokaj Participações Ltda (Previously FITCH PARTICIPACOES LTDA) | The loan was repayable in 108 monthly instalments commencing from January 2020. The loan was fully repaid in December 2024. | - | 1.54 |
| Judiciary Recovery | The loan is repayable in half yearly 18 instalments, commencing from November 2016. Repayable fully by May 2025. | - | 7.99 |
| **Total (D)** | | **-** | **9.53** |
| **Total (A+B+C+D)** | | **2,738.79** | **1,427.19** |

(i) During the year ended 31 March 2025, the interest rates ranges from: 1.50% to 56.54% per annum per annum (31 March 2024: 5.31% to 56.72% per annum).

(ii) There are no long-term borrowings guaranteed by any directors or others as at 31 March 2025 and 31 March 2024.

(iii) For the current maturities of long-term borrowings, refer note 27 in current borrowing.

## 24 Non-current lease liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Non-current lease liabilities (refer note 54) | 263.07 | 290.97 |
| **Total** | **263.07** | **290.97** |

## 25 Non-current provisions

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity and termination benefits (refer note 49) | 80.43 | 65.45 |
| Compensated absences (refer note below) | 32.73 | 29.77 |
| **Provision for Social Security** | 113.38 | 122.24 |
| **Total** | **226.54** | **217.46** |

**Note:**

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 26 Deferred tax liabilities (net) (refer note 43)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Deferred tax liabilities** | | |
| - Temporary differences on account of depreciation | (2.11) | 78.86 |
| - Temporary differences on account of hyperinflation | - | 12.17 |
| - Others | 39.51 | (22.30) |
| **Total Deferred tax liabilities (A)** | **37.40** | **68.73** |
| **Deferred tax assets** | | |
| - Temporary differences on account of depreciation | 11.17 | 128.40 |
| - Expenses allowable on payment basis | 68.78 | 65.46 |
| - Temporary differences on account of hyperinflation | (3.81) | 24.25 |
| - Unabsorbed depreciation and carried forward of losses | 694.83 | 396.37 |
| - Temporary differences on account of right-of-use assets | 16.17 | 15.74 |
| - Temporary differences on account of transactions costs related to merger | 15.32 | - |
| - Temporary differences on account of unamortised borrowing costs | (12.80) | - |
| - Others | 40.56 | (24.43) |
| - MAT credit entitlement | 196.94 | 177.76 |
| **Total Deferred tax assets (B)** | **1,027.16** | **783.55** |
| **Total (B-A)** | **989.76** | **714.82** |

## 27 Current borrowings

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Secured loan** | | |
| From banks (refer note (i) to (iv) below) | 814.49 | 1,828.30 |
| **Unsecured loan** | | |
| From banks | 343.70 | 403.48 |
| From other parties | 450.54 | 226.90 |
| Current maturities of long-term borrowings * | 116.24 | 626.92 |
| **Total** | **1,724.97** | **3,085.60** |

**Notes:**

(i) Working capital loan from banks in SeQuent Scientific Limited are secured by a exclusive charge on current assets of the Company and by unconditional & irrevocable guarantee from it's wholly-owned-subsidiary Alivira Animal Health Limited, India.

(ii) Working capital loan from banks availed by step-down subsidary Alivira Saude Animal Ltda., Brazil is secured against trade receivables of the respective company.

(iii) Refer Note 28 on disclosures related to financing arrangements with financial institutions in respect of payments to certain suppliers of the Group.

(iv) The interest on above loans are in ranges from 0.85% to 55.77% per annum (31 March 2024: 0.87% to 56.54% per annum).

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## 27 Current borrowings (Contd.)

*** The details of interest rates, repayment and other terms are disclosed under note 23. Details of current maturities of long-term debt are mentioned below:**

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **A) Loan from banks** | | |
| HSBC Limited | - | 260.89 |
| HSBC Limited | - | 36.81 |
| Caixa Bank | - | 31.72 |
| Citi Bank | - | 95.91 |
| Banco Sabadell | 1.52 | 1.36 |
| Banco Sabadell | 9.43 | 14.86 |
| B.B.V.A. | 5.23 | 4.82 |
| B.B.V.A. | - | 47.50 |
| ABANCA | 7.06 | 6.80 |
| Bankia | - | 1.96 |
| B.S.C.H | 0.91 | 0.76 |
| Vakif Bank | 18.14 | 1.18 |
| Vakif Bank | 15.53 | 25.25 |
| Vakif Bank | 1.53 | 17.68 |
| BMW bank | 0.22 | - |
| Daycoval bank | 45.08 | - |
| **Total A** | **104.65** | **547.50** |
| **B) Loan from Others** | | |
| Tata Capital Financial Services Limited | - | 12.50 |
| Aditya Birla Finance Limited | - | 16.39 |
| Aditya Birla Finance Limited | - | 11.00 |
| BMW finance | 0.27 | 0.24 |
| BMW finance | - | 3.69 |
| Volkswagen Bank | 2.98 | 2.67 |
| Abilo | - | 16.19 |
| Judiciary Recovery | 8.34 | 16.74 |
| **Total B** | **11.59** | **79.42** |
| **Total (A+B)** | **116.24** | **626.92** |

## 28 Trade payables

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Trade payables | 2,567.15 | 2,512.15 |
| **Total** | **2,567.15** | **2,512.15** |

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for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 28 Trade payables (Contd.)

**Notes:**

(i) Trade payables (other than due to micro and small enterprises) are non-interest bearing and are normally settled on 30 to 120 days.

(ii) The Group's exposure to currency and liquidity risk related to trade payable is disclosed in note 51.5 and note 51.4 respectively.

(iii) Trade payable ageing report is as below:

### As at 31 March 2025

| Particulars | Outstanding for following periods From due date of Payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **(i) Undisputed dues** | | | | | | | |
| - Micro enterprises and small enterprises | - | 178.44 | - | - | - | - | 178.44 |
| - Others | 441.10 | 1,658.96 | 263.54 | 21.74 | 0.18 | 3.19 | 2,388.71 |
| **(ii) Disputed dues** | | | | | | | |
| - Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - |
| **Total** | **441.10** | **1,837.40** | **263.54** | **21.74** | **0.18** | **3.19** | **2,567.15** |

### As on 31 March 2024

| Particulars | Outstanding for following periods From due date of Payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **(i) Undisputed dues** | | | | | | | |
| - Micro enterprises and small enterprises | - | 141.86 | - | - | - | - | 141.86 |
| - Others | 270.00 | 1,630.74 | 339.23 | 100.69 | 7.87 | 19.67 | 2,368.20 |
| **(ii) Disputed dues** | | | | | | | |
| - Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| - Others | - | - | - | 0.96 | 0.98 | 0.15 | 2.09 |
| **Total** | **270.00** | **1,772.60** | **339.23** | **101.65** | **8.85** | **19.82** | **2,512.15** |

(iv) The Group has entered into an agreement with financial institutions for the supply chain financing arrangement. As per the arrangement, the suppliers may elect to factor their receivable from the Group and receive the payment due from the financial institutions before the due date. As per the arrangement, the financial institutions agrees to pay amounts which Group owes to it's suppliers and the Group agrees to pay the financial institutions at a date later than suppliers are paid.

The nature and function of the liabilities remain the same even after factoring as the Group is neither legally released from its original obligation to the supplier nor the terms of the original liability are amended in a way that is considered a substantial modification. Hence, the Group has not derecognised the liabilities which are factored by the suppliers and disclosed the said amount within trade payables. Further, no additional interest has been paid to the financial institution by the Group on the amounts due to the suppliers. The payable under supply chain financing arrangement amounts to ₹ 23.01 million as at 31 March 2025 (31 March 2024: ₹ 164.01 million).

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 28 Trade payables (Contd.)

Apart from the above, the Group has also entered into arrangements wherein the financial institutions to smoothen the payment process of the suppliers, wherein the Group requests the financial institutions to make payments on the due date agreed with the suppliers and the Group pays to the financial institutions at the end of the extended period of payment. In this case, the Group derecognizes the liabilities towards the suppliers on the date of payment by the financial institutions to the suppliers and recognizes the amounts paid within Borrowings. During the year ended March 31, 2025, the Group has recognized interest expense amounting to ₹ 27.05 million (31 March 2024: ₹ 24.32 million) under the aforementioned arrangement. The payable to the financial institution amounts to ₹ 357.72 million as at 31 March 2025 (31 March 2024: ₹ 375.52 million) under this arrangement which has been recognized under "Short Term Borrowings" in the financial statements.

## 29 Lease liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Current lease liabilities (refer note 54) | 85.60 | 73.17 |
| | **85.60** | **73.17** |

## 30 Other current financial liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Interest accrued but not due on borrowings | 73.32 | 9.95 |
| Payables on purchase of property, plant and equipments | 18.35 | 19.48 |
| Unclaimed dividends | 0.29 | 0.29 |
| Foreign exchange forward contracts at FVTPL | 5.00 | 7.10 |
| Employee benefits payable and others | 140.33 | 109.81 |
| **Total** | **237.29** | **146.63** |

## 31 Current provisions

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity and termination benefits (refer note 49) | 23.07 | 32.03 |
| Compensated absences (Refer note below) | 42.31 | 38.72 |
| Others | 10.56 | 8.89 |
| **Total** | **75.94** | **79.64** |

**Note:**

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

## 32 Current tax liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Income tax payable (net of advance tax : ₹ 160.39) (31 March 2024 : ₹ 10.41) | 118.62 | 33.43 |
| **Total** | **118.62** | **33.43** |

All amounts are in ₹ million unless otherwise stated

## 33 Other current liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Statutory remittances | 131.24 | 112.75 |
| Advance from customers | 25.97 | 81.28 |
| Advances against assets classified as held for sale (Refer note 3b) | - | 100.60 |
| Others | 83.26 | 44.65 |
| **Total** | **240.47** | **339.28** |

## 34 Revenue from operations

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Sale of products* | 15,305.64 | 13,498.53 |
| Sale of services | 164.12 | 164.47 |
| | **15,469.76** | **13,663.00** |
| **Other operating revenues** | | |
| Sale of scrap | 21.76 | 16.41 |
| Duty drawback and other export incentives | 21.40 | 15.01 |
| Other operating income | 0.78 | 2.89 |
| | **15,513.70** | **13,697.31** |

* During the year ended 31 March 2025, the Group has recorded claim from a customer of ₹ 73.60 million which is netted from revenue from operations. The Group has intimated the Insurance Company for the claim.

**i) Disaggregated revenue disclosures**

The Group disaggregate the revenue based on geographic locations and it is disclosed under note 44 - Segment reporting.

**ii) Trade receivables and contract balances**

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Group transfers control over the product to the customer. The performance obligation is satisfied when related services are performed.

**iii) Contract Balances:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Trade receivables (refer note 13) | 3,631.66 | 3,356.31 |
| Contract liabilities (refer note 33) | 25.97 | 81.28 |
| | **3,657.63** | **3,437.59** |

Contract liabilities include short-term advances received from customers for sale of products.

**iv) Reconciliation of revenue from sale of products and services with the contracted price:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Contracted price | 15,944.62 | 14,076.34 |
| Less: trade discounts, sales & expiry return and claims | 474.86 | 413.34 |
| **Sale of products and services** | **15,469.76** | **13,663.00** |

**v) Timing of revenue recognition:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Revenue recognized at a point of time | 15,305.64 | 13,498.53 |
| Revenue recognized over the time | 164.12 | 164.47 |
| **Revenue from contract with customer** | **15,469.76** | **13,663.00** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 35 Other income

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Interest income (refer note (i) below) | 27.24 | 6.70 |
| Net gain on sale of current investments | 1.31 | 0.17 |
| Fair value gain on financial instruments at fair value through profit or loss | - | 0.23 |
| Gain on sale of mutual funds | 0.18 | - |
| Profit on sale of property, plant and equipment and transfer of leasehold rights (Refer note 3b(i)) | 60.19 | 55.87 |
| Miscellaneous income * | 57.94 | 46.60 |
| **Total** | **146.86** | **109.57** |

### (i) Interest income comprises:

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Interest on:** | | |
| Bank deposits | 19.20 | 4.77 |
| Income tax refund | 0.13 | 0.26 |
| Other interest | 7.91 | 1.67 |
| **Total** | **27.24** | **6.70** |

* Includes write back of liabilities no longer payable amounting to ₹ 9.76 for the year ended 31 March 2025 in respect of estimated provision created for delayed payments to MSME vendors.

### 36.a Cost of materials consumed

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening stock | 1,167.05 | 1,412.28 |
| Effect of foreign currency exchange differences | (44.69) | (184.54) |
| Add: Purchases | 6,452.49 | 6,075.97 |
| Less: Closing stock | 1,401.17 | 1,167.05 |
| **Cost of materials consumed** | **6,173.68** | **6,136.66** |

### 36.b Purchases of stock-in-trade

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Purchases of stock-in-trade | 2,125.69 | 1,755.38 |
| **Total** | **2,125.69** | **1,755.38** |

### 36.c Changes in inventories of finished goods, stock-in-trade and work-in-progress

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Opening stock** | | |
| Work-in-progress and intermediates | 533.63 | 489.14 |
| Finished goods (including stock-in-trade) | 1,756.09 | 1,553.98 |
| | **2,289.72** | **2,043.12** |
| **Effect of foreign currency exchange differences** | | |
| Work-in-progress and intermediates | (3.44) | (3.87) |
| Finished goods (including stock-in-trade) | (21.02) | (44.10) |
| | **(24.46)** | **(47.97)** |
| **Less: Closing stock** | | |
| Work-in-progress and intermediates | 599.88 | 533.63 |
| Finished goods (including stock-in-trade) | 1,846.27 | 1,756.09 |
| | **2,446.15** | **2,289.72** |
| **Net (increase) / decrease** | **(180.89)** | **(294.57)** |

All amounts are in ₹ million unless otherwise stated

## 37 Employee benefit expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Salaries, wages and allowances | 2,051.33 | 1,891.66 |
| Contributions to provident fund, gratuity and other funds (refer note 49) | 297.75 | 275.94 |
| Share-based payment to employees (refer note 50) | 324.10 | 222.28 |
| Staff welfare expenses | 138.01 | 115.83 |
| **Total** | **2,811.19** | **2,505.71** |

## 38 Finance costs

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Interest expense on borrowings | 528.20 | 441.16 |
| Other borrowing costs | 47.95 | 16.63 |
| Interest expense on leases liabilities (refer note 54) | 31.36 | 23.07 |
| **Total** | **607.51** | **480.86** |

## 39 Depreciation and amortisation expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Depreciation on property, plant and equipment (refer note 3a) | 478.66 | 447.42 |
| Depreciation on ROU assets (refer note 3b) | 67.87 | 62.41 |
| Amortisation on intangible assets (refer note 5) | 117.98 | 105.57 |
| | **664.51** | **615.40** |

## 40 Other expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Power, water and fuel | 329.84 | 354.57 |
| Consumables | 193.98 | 179.11 |
| Conversion and processing charges | 90.03 | 166.54 |
| Contract labour charges | 29.37 | 57.08 |
| Freight and forwarding | 351.88 | 281.17 |
| Rent | 86.33 | 42.46 |
| Rates and taxes | 55.78 | 48.08 |
| Communication expenses | 21.88 | 21.93 |
| Repairs and maintenance | | |
| Building | 32.92 | 37.65 |
| Machinery | 129.46 | 130.91 |
| Others | 94.20 | 86.53 |
| Insurance | 80.45 | 82.79 |
| Travelling and conveyance | 182.73 | 136.86 |
| Advertisement and selling expenses | 251.59 | 194.11 |
| Commission on sales | 90.85 | 91.77 |
| Legal and professional fees | 436.29 | 434.52 |
| Payment to auditors (refer note (i) below) | 12.89 | 14.37 |
| Analytical charges | 106.58 | 77.93 |

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All amounts are in ₹ million unless otherwise stated

## 40 Other expenses (Contd.)

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Bad trade receivables written off | 0.12 | 0.62 |
| Allowances for doubtful trade receivables | 3.45 | 13.77 |
| Loss on sale of assets (net) | 0.01 | 0.45 |
| Property, plant and equipment written off | 2.75 | 1.64 |
| Net loss on foreign currency transactions and translation | 80.49 | 153.72 |
| Miscellaneous expenses | 331.50 | 293.23 |
| **Total** | **2,995.37** | **2,901.81** |

**Note**

(i) Payment to auditors comprises (net of Goods and Service Tax):

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| As auditors - Statutory audit (including fees for undertaking limited reviews) | 10.82 | 13.10 |
| Fee of certification and other services | 1.62 | 0.34 |
| Reimbursement of expenses | 0.45 | 0.93 |
| **Total** | **12.89** | **14.37** |

## 41 Net Monetary Loss on Hyperinflationary economy

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Net Monetary Loss on Hyperinflationary economy (refer note 52) | (29.32) | 78.18 |
| **Total** | **(29.32)** | **78.18** |

## 42 Exceptional Items

| | Note | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| Expenses related to proposed Scheme of Amalgamation | A | 52.61 | - |
| One time settlement cost | B | 40.00 | - |
| (Reversal) / Expenses related to operations restructuring drive and closure of Tarapur manufacturing facility | C | (35.80) | 295.10 |
| (Insurance claim received) / Loss due to cyber-attack incident at N-VET AB (overseas subsidiary) | D | (7.05) | 26.44 |
| Insurance claim received for loss by fire in Alivira Animal Health Limited | E | - | (80.67) |
| Reversal of restructuring costs with respect to Bremer Pharma GmbH (overseas subsidiary) | F | - | (66.96) |
| **Total** | | **49.76** | **173.91** |

**Note**

**A)** The Board of Directors of the Company at their meeting held on 26 September 2024 have approved the Composite Scheme of Amalgamation (the 'Scheme') amongst the Company, Sequent Research Limited (wholly owned subsidiary of the Company), Viyash Life Sciences Private Limited, Symed Labs Limited, Vandana Life Sciences Private Limited, Appcure Labs Private Limited, Vindhya Pharma (India) Private Limited, SV Labs Private Limited, Vindhya Organics Private Limited, Genin Life Sciences Private Limited in terms of Section 230-232 and other applicable provisions of Companies Act, 2013. The Scheme would become effective after receipt of all requisite approvals. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial statement for the year ended 31 March 2025. In this regard, the Company has incurred transaction costs pertaining to Scheme amounting to ₹ 52.61 million for the year ended 31 March 2025.

All amounts are in ₹ million unless otherwise stated

## 42 Exceptional Items (Contd.)

**B)** During the year ended 31 March 2025, Alivira Animal Health Limited ("AAHL") a wholly owned subsidiary of the Company, has provided for an amount of ₹ 40 million by way of one-time settlement of the disputes in relation to its leasehold land situated at Visakhapatnam.

**C)** During the year ended 31 March 2025, based on confirmation from vendor, the Group has reversed provision by ₹ 35.80 million related to domain expert advisory fees towards revamping of manufacturing and procurement processes, in respect of which expense of ₹ 266.80 million was recorded for the year ended 31 March 2024.

Further, during the year ended 31 March 2024, the Group had incurred the following non-recurring expenses towards restructuring of its operations by closing its API manufacturing facility at MIDC, Tarapur, Maharashtra :

(i) Provision for diminution in value of immovable assets at Tarapur manufacturing facility aggregating to ₹ 19.70 million.

(ii) Settlement payment to the employees at Tarapur manufacturing facility aggregating to ₹ 8.60 million

**D)** During the year ended 31 March 2025, the Group has received insurance claim of ₹ 7.05 million related to cyber-attack incident which had previously occurred at its overseas subsidiary N-VET AB in Sweden. The Group had incurred loss of ₹ 26.44 million during the year ended 31 March 2024 related to this incident.

**E)** The Group had received an insurance claim of ₹ 80.67 million for loss due to an incident of fire at Company's wholly owned subsidiary Alivira Animal Health Limited's (Alivira) API facility in Visakhapatnam.

**F)** During the year ended 31 March 2024, the Group had reversed the provision (relating to restructuring of the operations of its overseas subsidiary, Bremer Pharma GmbH in Germany) by ₹ 66.96 million pursuant to the sale of movable assets and realisation of current assets in the previous year.

## 43 Reconciliations of tax expenses and details of deferred tax balances

### A) Income tax expense recognised in the consolidated statement of profit and loss

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **i) Income tax expense recognised in the consolidated statement of profit and loss** | | |
| Current tax (I) | 407.18 | 144.83 |
| **Deferred tax charge** | | |
| Origination and reversal of temporary differences (II) | (288.41) | (389.82) |
| Adjustment of tax pertaining to earlier period (III) | 1.70 | (5.34) |
| **Total (IV = I+II+III)** | **120.47** | **(250.33)** |
| **ii) Tax on other comprehensive income** | | |
| Re-measurement (gains) / losses on defined benefit plans | (2.26) | 0.57 |
| **Total (V)** | **(2.26)** | **0.57** |
| **Total (IV+V)** | **118.21** | **(249.76)** |

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

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.

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All amounts are in ₹ million unless otherwise stated

## 43 Reconciliations of tax expenses and details of deferred tax balances (Contd.)

**B) Reconciliation of effective tax rate**

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Group is as follows:

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Profit / (Loss) before tax** | **443.06** | **(546.46)** |
| Statutory income tax rate | 29.12% | 29.12% |
| **Tax as per applicable tax rate** | **129.02** | **(159.13)** |
| **Differences due to:** | | |
| - Exempted income | (4.25) | (1.20) |
| - Disallowed expenses | 29.85 | 10.34 |
| - Deferred tax liability written back | 6.20 | (47.40) |
| - Different tax rate in subsidiary companies | (43.78) | (15.64) |
| - Provision for tax of earlier years written back | 1.70 | (5.34) |
| - Deferred Tax not recognised on exceptional items | - | 50.64 |
| - Tax credit not recognised due to lack of reasonable certainity | 41.83 | 5.31 |
| - Effect of gain on sale of Leasehold land | - | (12.84) |
| - Tax incentives in foreign subsidiaries | (8.54) | (51.31) |
| - Others | (31.56) | (23.76) |
| **Income tax expenses charged to the consolidated statement of profit and loss** | **120.47** | **(250.33)** |
| Effective tax rate | 27.19% | 45.81% |

**C) Movement in deferred tax assets and liabilities**

| | As at 01 April 2024 | Credit / (charge) in the statement of profit and loss | Credit / (charge) in the statement of profit and loss (disclosed under adjustment of tax relating to earlier periods) | Credit / (charge) in other comprehensive income | As at 31 March 2025 |
|---|---|---|---|---|---|
| - Temporary differences on account of depreciation | (2.82) | 16.10 | - | - | 13.28 |
| - Expenses allowable on payment basis | 65.46 | 1.02 | - | 2.30 | 68.78 |
| - Right-of-use assets | 15.74 | 0.43 | - | - | 16.17 |
| - Temporary differences on account of hyperinflation | 24.25 | (28.06) | - | - | (3.81) |
| - Temporary differences on account of transactions costs related to merger | - | 15.32 | - | - | 15.32 |
| - Temporary differences on account of unamortised borrowing costs | - | (12.80) | - | - | (12.80) |
| - Other | 38.05 | (37.00) | - | - | 1.05 |
| **Subtotal** | **140.68** | **(44.99)** | **-** | **2.30** | **97.99** |
| - Unabsorbed depreciation and carried forward of losses | 396.38 | 298.45 | - | - | 694.83 |
| - MAT credit entitlement | 177.76 | 15.57 | 3.61 | - | 196.94 |
| **Total deferred tax assets / (liabilities)** | **714.82** | **269.03** | **3.61** | **2.30** | **989.76** |

All amounts are in ₹ million unless otherwise stated

## 43 Reconciliations of tax expenses and details of deferred tax balances (Contd.)

| | As at 01 April 2023 | Credit / (charge) in the statement of profit and loss | Credit / (charge) in other comprehensive income | As at 31 March 2024 |
|---|---|---|---|---|
| - Temporary differences on account of depreciation | 4.63 | (7.45) | - | (2.82) |
| - Expenses allowable on payment basis | 56.89 | 7.84 | 0.73 | 65.46 |
| - Right-of-use assets | 15.45 | 0.29 | - | 15.74 |
| - Temporary differences on account of hyperinflation | (23.15) | 47.40 | - | 24.25 |
| - Other | (13.11) | 51.16 | - | 38.05 |
| **Subtotal** | **40.71** | **99.24** | **0.73** | **140.68** |
| - Unabsorbed depreciation and carried forward of losses | 104.84 | 291.54 | - | 396.38 |
| - MAT credit entitlement | 185.54 | (7.78) | - | 177.76 |
| **Total deferred tax assets / (liabilities)** | **331.09** | **383.00** | **0.73** | **714.82** |

## 44 Segment Reporting

### A. Primary segment (Business segment)

Operating segment are reported in a manner consistent with the Internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee of the Group

The Group is mainly engaged in the business of veterinary healthcare which as per Ind AS 108 - "Operating segments" is considered the only business segment and all other activities of the Group are incidental to this business segment.

### B. Secondary segment (Geographical segment)

The Group operates in three principal geographic location.

(i) Europe

(ii) Asia

(iii) Rest of the world

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **I Revenue from operations** | | |
| Europe | 7,001.96 | 5,715.96 |
| Asia | 4,449.46 | 3,301.17 |
| Rest of the world | 4,062.28 | 4,680.18 |
| **Total** | **15,513.70** | **13,697.31** |
| **II Total assets** | | |
| Europe | 5,114.73 | 3,578.43 |
| Asia | 6,436.96 | 7,387.59 |
| Rest of the world | 3,338.67 | 3,510.65 |
| **Total segment assets** | **14,890.36** | **14,476.67** |
| Unallocated (^) | 1,129.10 | 927.17 |
| **Total** | **16,019.46** | **15,403.84** |
| **III Cost incurred during the year to acquire segment assets** | | |
| Europe | 185.43 | 94.94 |
| Asia | 356.39 | 265.54 |
| Rest of the world | 12.62 | 20.87 |
| **Total** | **554.44** | **381.35** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 44 Segment Reporting (Contd.)

**Information about major customer**

For information about major customer, refer note 51.3

Note: In presenting geographical segment information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(^) Unallocable assets comprises of loans, deferred tax assets (net) and income tax assets (net).

## 45 Earnings Per Share (EPS)

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Basic earnings per share (in ₹) | 0.88 | (1.44) |
| Diluted earnings per share (in ₹) | 0.85 | (1.44)* |

| **(Loss) / Profit attributable to equity shareholders** | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (Loss) / Profit for the year attributable to equity holders | 218.78 | (358.69) |
| **(Loss) / Profit attributable to equity shareholders for basic and diluted earnings** | **218.78** | **(358.69)** |

| **Weighted average number of equity shares** | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Equity shares at beginning of the year | 24,94,33,495 | 24,94,33,495 |
| Weighted average no. of shares issued during the year | 3,53,878 | - |
| Weighted average effect of treasury shares | (4,12,250) | (8,08,971) |
| **Weighted average number of equity shares at end of the year for basic EPS** | **24,93,75,123** | **24,86,24,524** |
| Share options | 68,90,629 | 12,58,285 |
| **Weighted average number of equity shares at end of the year for diluted EPS** | **25,62,65,752** | **24,98,82,809** |

*As the share options have an anti-dilutive effect on diluted EPS, basic EPS has been considered as the diluted EPS for the year ended 31 March 2024.

## 46 Contingent liabilities and commitments (to the extent not provided for)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Contingent liabilities** | | |
| a. Claims against the Group not acknowledged as debts* | 2.03 | 3.67 |
| b. Indirect tax matters* | 42.87 | 39.59 |
| **Commitments** | | |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | |
| - Tangible and Intangible assets | 42.74 | 166.79 |
| b. Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary | 2,650.00 | 4,161.33 |
| c. Corporate Guarantee given to lenders for loan facility availed by step down subsidiary | 2,481.86 | 1,130.76 |
| d. Corporate Guarantee given to lenders for loan facility availed by holding company | 380.00 | 380.00 |
| e. Alivira Animal Health Limited, India, the wholly-owned-subsidiary company, has given a letter of support to its step down wholly-owned-subsidiary Alivira Animal Health Limited, Ireland and Alivira Saude Animal Brasil Participacoes Ltda to continue to assist in whatever manner that it can to financially support the operations and cash flow requirements of the subsidiary for the foreseeable future. | | |

* 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.

All amounts are in ₹ million unless otherwise stated

## 47 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

| Sr. No. | Name of the entity in the Group | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Company | | 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 at 31 March 2025 | As at 31 March 2024 | As % of consolidated net assets | Amount | As % of consolidated profit / (loss) | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| | **Parent** | | | | | | | | | | | |
| 1 | SeQuent Scientific Limited | | | | 148.33% | 11,426.54 | 48.96% | 157.94 | 0.70% | (1.51) | 146.97% | 156.43 |
| | **Indian Subsidiaries** | | | | | | | | | | | |
| 2 | Alivira Animal Health Limited | India | 100.00% | 100.00% | 56.01% | 4,314.81 | (160.42%) | (517.50) | 1.39% | (3.01) | (489.02%) | (520.51) |
| 3 | SeQuent Research Limited | India | 100.00% | 100.00% | 0.73% | 56.09 | (1.72%) | (5.54) | 0.22% | (0.47) | (5.65%) | (6.01) |
| | **Foreign Subsidiaries** | | | | | | | | | | | |
| 4 | Alivira Animal Health Limited, Ireland | Ireland | 100.00% | 100.00% | 48.31% | 3,721.29 | 9.67% | 31.20 | 36.19% | (78.22) | (44.18%) | (47.02) |
| 5 | Provet Veteriner Ürünleri San. Ve Tic. A. Ş. | Turkey | 100.00% | 100.00% | 6.65% | 512.50 | 50.03% | 161.40 | (0.18%) | 0.39 | 152.00% | 161.79 |
| 6 | Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş. | Turkey | 100.00% | 100.00% | 3.17% | 244.24 | 37.79% | 121.91 | 0.79% | (1.70) | 112.94% | 120.21 |
| 7 | Vila Viña Participacions S.L. | Spain | 60.00% | 60.00% | 7.20% | 554.70 | 14.94% | 48.19 | (1.03%) | 2.22 | 47.36% | 50.41 |
| 8 | Laboratorios Karizoo, S.A. | Spain | 60.00% | 60.00% | 15.87% | 1,222.54 | 46.50% | 149.99 | (7.35%) | 15.88 | 155.83% | 165.87 |
| 9 | Laboratorios Karizoo, S.A. DE C.V. (Mexico) | Mexico | 60.00% | 60.00% | 1.14% | 87.95 | (0.83%) | (2.69) | 7.05% | (15.23) | (16.84%) | (17.92) |
| 10 | Phytotherapic Solutions S.L. | Spain | 60.00% | 60.00% | 4.26% | 327.97 | 19.98% | 64.45 | (2.90%) | 6.26 | 66.43% | 70.71 |
| 11 | Bremer Pharma GmbH | Germany | 100.00% | 100.00% | (14.12%) | (1,087.65) | (22.84%) | (73.68) | 12.89% | (27.87) | (95.41%) | (101.55) |
| 12 | Fendigo SA | Belgium | 100.00% | 100.00% | 0.65% | 50.44 | 24.59% | 79.31 | (0.71%) | 1.53 | 75.95% | 80.84 |
| 13 | Fendigo BV | Netherland | 100.00% | 100.00% | 4.08% | 314.23 | 72.43% | 233.64 | (4.55%) | 9.84 | 228.75% | 243.48 |
| 14 | N-Vet AB (refer note (i) below) | Sweden | 100.00% | 96.10% | 0.94% | 72.63 | 5.83% | 18.80 | 0.01 | (1.73) | 16.04% | 17.07 |
| 15 | Alivira Saude Animal Brasil Participacoes Ltda | Brazil | 100.00% | 100.00% | (3.59%) | (276.77) | (61.68%) | (198.98) | (9.23%) | 19.95 | (168.20%) | (179.03) |
| 16 | Expeden Distribuidora De Produtos Veterinarios Ltda (formerly known as Evanvet Distribuidora De Produtos Veterinarios Ltda) | Brazil | 100.00% | 100.00% | (0.97%) | (74.91) | (2.68%) | (8.63) | 15.31% | (33.10) | (39.21%) | (41.73) |
| 17 | Alivira Saude Animal Ltda., Brazil (formerly known as Evance Saude Animal Ltda) | Brazil | 100.00% | 100.00% | 4.24% | 326.33 | 50.49% | 162.87 | 9.61% | (20.77) | 133.50% | 142.10 |
| 18 | Alivira Animal Health USA LLC | USA | 100.00% | 100.00% | (0.08%) | (6.22) | (14.09%) | (45.44) | 2.28% | (4.92) | (47.31%) | (50.36) |

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 47 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013 (Contd.)

| Sr. No. | Name of the entity in the Group | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Company | | 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 at 31 March 2025 | As at 31 March 2024 | As % of consolidated net assets | Amount | As % of consolidated profit / (loss) | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| 19 | Alivira Italia S.R.L. (refer note (ii) below) | Italy | 100.00% | 95.00% | (0.20%) | (15.79) | 0.45% | 1.45 | 0.27% | (0.58) | 0.82% | 0.87 |
| 20 | Alivira Animal Health UK Ltd | United Kingdom | 100.00% | 100.00% | (0.04%) | (2.91) | (0.31%) | (1.00) | 0.09% | (0.20) | (1.13%) | (1.20) |
| | **Total** | | | | | **21,768.01** | | **377.69** | | **(133.24)** | | **244.45** |
| | Adjustments arising out of consolidation | | | | (191.12%) | (14,723.27) | | (158.91) | 39.84% | (86.11) | (230.20%) | (245.02) |
| | Non-controlling interest in all subsidiaries | | | | 8.55% | 658.88 | 32.18% | 103.81 | (1.48%) | 3.20 | 100.54% | 107.01 |
| | **Total** | | | | | **7,703.62** | | **322.59** | | **(216.15)** | | **106.44** |

**Notes:**

(i) During the current year, the subsidiary company N-Vet AB has been fully aquired by its holding company Alivira Animal Health Limited, Ireland

(ii) During the current year, the subsidiary company Alivira Italia S.R.L. has been fully aquired by its holding company Alivira Animal Health Limited, Ireland

(iii) During the previous year, the subsidiary company Comercial Vila Veterinaria De Lleida S.L. (Spain) has been merged with its holding company Vila Viña Participacions S.L. (Spain) with effect from 16 June 2023.

(iv) During the previous year, the subsidiary company Alivira France S.A.S.has been liquidated with effect from 24 March, 2024.

All amounts are in ₹ million unless otherwise stated

## 47 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013 (Contd.)

| Sr. No. | Name of the entity in the Group | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Company | | 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 at 31 March 2024 | As at 31 March 2023 | As % of consolidated net assets | Amount | As % of consolidated profit / (loss) | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| 1 | SeQuent Scientific Limited | | | | 152.49% | 10,871.99 | (2.06%) | 6.10 | (0.03%) | 0.17 | (0.66%) | 6.27 |
| | **Indian Subsidiaries** | | | | | | | | | | | |
| 2 | Alivira Animal Health Limited | India | 100.00% | 100.00% | 66.83% | 4,764.96 | 168.59% | (499.26) | 0.35% | (2.29) | 52.93% | (501.55) |
| 3 | SeQuent Research Limited | India | 100.00% | 100.00% | 0.88% | 62.92 | 4.59% | (13.59) | 0.02% | (0.11) | 1.45% | (13.70) |
| | **Foreign Subsidiaries** | | | | | | | | | | | |
| 4 | Alivira Animal Health Limited, Ireland | Ireland | 100.00% | 100.00% | 49.12% | 3,501.93 | 303.32% | (898.23) | 5.36% | (34.91) | 98.47% | (933.14) |
| 5 | Provet Veteriner Ürünleri San. Ve Tic. A. Ş. | Turkey | 100.00% | 100.00% | 2.59% | 184.92 | 81.51% | (241.37) | 8.52% | (55.52) | 31.33% | (296.89) |
| 6 | Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş. | Turkey | 100.00% | 100.00% | 1.53% | 109.12 | 70.32% | (208.24) | 10.22% | (66.56) | 29.00% | (274.80) |
| 7 | Vila Viña Participacions S.L. (refer note (iii) above) | Spain | 60.00% | 60.00% | 6.80% | 484.90 | 0.68% | (2.00) | (0.06%) | 0.41 | 0.17% | (1.59) |
| 8 | Laboratorios Karizoo, S.A. | Spain | 60.00% | 60.00% | 12.97% | 924.37 | (33.42%) | 98.96 | (0.56%) | 3.64 | (10.83%) | 102.60 |
| 9 | Laboratorios Karizoo, S.A. DE C.V. (Mexico) | Mexico | 60.00% | 60.00% | 1.49% | 106.38 | (7.07%) | 20.93 | (0.29%) | 1.90 | (2.41%) | 22.83 |
| 10 | Phytotherapic Solutions S.L. | Spain | 60.00% | 60.00% | 3.85% | 274.46 | (18.67%) | 55.29 | (0.21%) | 1.37 | (5.98%) | 56.66 |
| 11 | Bremer Pharma GmbH | Germany | 100.00% | 100.00% | (13.82%) | (985.55) | 6.16% | (18.24) | 1.18% | (7.66) | 2.73% | (25.90) |
| 12 | Fendigo SA | Belgium | 100.00% | 100.00% | 4.23% | 301.75 | (37.10%) | 109.87 | (0.35%) | 2.30 | (11.84%) | 112.17 |
| 13 | Fendigo BV | Netherland | 100.00% | 100.00% | 0.34% | 24.59 | (13.28%) | 39.33 | (0.05%) | 0.32 | (4.18%) | 39.65 |
| 14 | N-Vet AB | Sweden | 96.10% | 96.10% | 0.68% | 48.30 | 5.41% | (16.01) | - | (0.03) | 1.69% | (16.04) |
| 15 | Alivira Saude Animal Brasil Participacoes Ltda | Brazil | 100.00% | 100.00% | (1.79%) | (127.37) | (18.92%) | 56.04 | 0.96% | (6.24) | (5.26%) | 49.80 |
| 16 | Expeden Distribuidora De Produtos Veterinarios Ltda (formerly known as Evanvet Distribuidora De Produtos Veterinarios Ltda) | Brazil | 100.00% | 100.00% | 2.79% | 199.14 | (57.67%) | 170.79 | (0.47%) | 3.03 | (18.34%) | 173.82 |

# Notes to the Consolidated Financial Statements

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All amounts are in ₹ million unless otherwise stated

## 47 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013 (Contd.)

| Sr. No. | Name of the entity in the Group | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Company | | 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 at 31 March 2024 | As at 31 March 2023 | As % of consolidated net assets | Amount | As % of consolidated profit / (loss) | Amount | As % of other comprehensive income | Amount | As % of Total comprehensive income | Amount |
| 17 | Alivira Saude Animal Ltda., Brazil (formerly known as Evance Saude Animal Ltda) | Brazil | 100.00% | 100.00% | (2.57%) | (182.99) | (19.44%) | 57.58 | (0.93%) | 6.03 | (6.71%) | 63.61 |
| 18 | Alivira Animal Health USA LLC | USA | 100.00% | 100.00% | (0.03%) | (2.26) | 14.98% | (44.36) | 0.31% | (2.01) | 4.89% | (46.37) |
| 19 | Alivira Italia S.R.L. | Italy | 95.00% | 95.00% | (0.24%) | (16.87) | 0.06% | (0.19) | 0.03% | (0.17) | 0.04% | (0.36) |
| 20 | Alivira France S.A.S. (refer note (iv) above) | France | 75.00% | 75.00% | (0.24%) | (16.90) | - | - | (0.02%) | 0.10 | (0.01%) | 0.10 |
| 21 | Alivira Animal Health UK Ltd | United Kingdom | 100.00% | 100.00% | (0.03%) | (1.79) | 0.61% | (1.81) | 0.01% | (0.08) | 0.20% | (1.89) |
| | **Total** | | | | | **20,526.00** | | **(1,328.41)** | | **(156.31)** | | **(1,484.72)** |
| | Adjustments arising out of consolidation | | | | (195.81%) | (13,960.40) | (327.46%) | 969.72 | 76.43% | (497.95) | (49.78%) | 471.77 |
| | Non-controlling interest in all subsidiaries | | | | 7.91% | 563.99 | (21.13%) | 62.56 | (0.42%) | 2.73 | (6.89%) | 65.29 |
| | **Total** | | | | | **7,129.59** | | **(296.13)** | | **(651.53)** | | **(947.66)** |

All amounts are in ₹ million unless otherwise stated

## 48 Related party transactions

**Holding Company**

CA Harbor Investments

### 48.1 List of related parties with whom transactions have taken place during the year

a) Key management personnel (KMP)

Mr. Rajaram Narayanan, Chief Executive Officer & Managing Director

Mr. Sharat Narasapur, Joint Managing Director (till 30 April, 2024)

Mr. Vedprakash S Ragate, Whole-time Director (w.e.f 17 April, 2024)

Mr. P.V. Raghavendra Rao, Chief Financial Officer (till 25 October, 2023)

Mr. Saurav Bhala, Chief Financial Officer (w.e.f. 06 November, 2023)

Mr. Krunal Shah, Company Secretary (till 15 February, 2024)

Mr. Phillip Trott, Company Secretary (w.e.f. 16 February, 2024 till 16 December, 2024)

Mrs. Yoshita Susmit Vora, Company Secretary (w.e.f. 17 December, 2024)

Dr. Kamal K Sharma, Independent Director

Mr. Milind Sarwate, Independent Director

Mr. Neeraj Bharadwaj, Non-Executive Director

Mr. Gregory Andrews John, Non-Executive Director

Dr. Fabian Kausche, Non-Executive Director

Mr. Hari Babu Bodepudi, Non-Executive Director (w.e.f 07 August, 2023)

Dr. Kausalya Santhanam, Independent Director (till 27 October, 2024)

Ms. Revati Parag Kasture, Non-executive Independent Director (w.e.f. 17 December, 2024)

b) Other entities in which holding company have control or significant influence/ entities with common directors:

Symed Labs Limited

Viyash Life Sciences Private Limited

FK Consulting, LLC

**Notes:**

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

### 48.2 Transactions for the year

i) Transactions with KMP

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Managerial remuneration (*) (excluding costs relating to post employment benefits)** | | |
| Mr. Rajaram Narayanan # | | |
| Short-term benefits | 50.82 | 43.61 |
| **Total** | **50.82** | **43.61** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**48.2 Transactions for the year (Contd.)**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Mr. Sharat Narsapur | | |
| Short-term benefits | 6.03 | 13.86 |
| Termination benefits | 3.80 | - |
| **Total** | **9.83** | **13.86** |
| Mr. P.V. Raghavendra Rao | | |
| Short-term benefits | - | 7.80 |
| Termination benefits | - | 0.54 |
| **Total** | **-** | **8.34** |
| Mr. Saurav Bhala(##) | | |
| Short-term benefits | 15.36 | 6.52 |
| Share based payment** | 10.54 | - |
| **Total** | **25.90** | **6.52** |
| Mr. Vedprakash Ragate | | |
| Short-term benefits | 15.97 | - |
| Share based payment** | 2.05 | - |
| **Total** | **18.02** | **-** |
| Mr. Krunal Shah | | |
| Short-term benefits | - | 1.87 |
| **Total** | **-** | **1.87** |
| Mr. Philip Trott # | | |
| Short-term benefits | 5.44 | 0.84 |
| **Total** | **5.44** | **0.84** |
| Ms. Yoshita Susmit Vora (###) | | |
| Short-term benefits | 0.91 | - |
| **Total** | **0.91** | **-** |
| **Directors sitting fees** | | |
| Dr. Kamal K Sharma | 3.00 | 2.00 |
| Mr. Milind Sarwate | 2.70 | 2.10 |
| Mr. Gregory Andrews John | 0.80 | 0.60 |
| Dr. Fabian Kausche | 0.70 | 0.50 |
| Dr. Kausalya Santhanam | 1.30 | 0.90 |
| Mr. Hari Babu Bodepudi | 0.60 | 0.40 |
| Ms. Revati Kasture | 0.40 | - |
| Mr. Sharat Narsapur | 0.50 | - |
| **Total** | **10.00** | **6.50** |
| **Directors Commisions** | | |
| Dr. Kamal K Sharma | 1.00 | - |
| Mr. Milind Sarwate | 1.30 | - |
| Dr. Kausalya Santhanam | 0.30 | - |
| **Total** | **2.60** | **-** |
| **Professional Fees** | | |
| Mr. Gregory Andrews John | 1.70 | - |
| **Total** | **1.70** | **-** |

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for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**48.2 Transactions for the year (Contd.)**

ii) Other entities in which holding company have control or significant influence/ entities with common directors:

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Purchase of materials/consumables** | | |
| Symed Labs Limited | 23.02 | 5.04 |
| Viyash Life Sciences Private Limited | 2.17 | - |
| **Total** | **25.19** | **5.04** |
| **Rental Expense** | | |
| Viyash Life Sciences Private Limited | 0.10 | - |
| **Total** | **0.10** | **-** |
| **Professional Fees** | | |
| FK Consulting, LLC | 1.81 | - |
| **Total** | **1.81** | **-** |
| **Purchase of PPE** | | |
| Symed Labs Limited | 0.72 | - |
| Viyash Life Sciences Private Limited | 0.30 | - |
| **Total** | **1.02** | **-** |

(#) The managerial remuneration was recommended in the Nomination and Remuneration Committee meeting on 24 May, 2024, thereafer approved by the board of directors on August 14, 2024 and by the shareholders in AGM held on September 17, 2024.

(##) The managerial remuneration is recommended in the Nomination and Remuneration Committee (NRC) meeting on May 11, 2024 thereafer approved by the board of directors on May 15, 2024. Subsequently, NRC and Board approved revision in remuneration on 16 December, 2024.

(###) The managerial remuneration is recommended in the Nomination and Remuneration Committee and approved by the board of directors meeting held on 16 December, 2024.

(**) Represents the perquisite value of stock options exercised during the year and does not include the fair value of options granted (vested / unvested) but not exercised upto 31 March 2025.

**48.3 Balance as at balance sheet date**

i) Other entities in which holding company have control or significant influence/ entities with common directors:

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Trade payables** | | |
| Symed Labs Limited | 7.49 | 5.04 |
| Viyash Life Sciences Private Limited | 2.49 | - |
| **Total** | **9.98** | **5.04** |

ii) KMP

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Directors Commision Payable** | | |
| Dr. Kamal K Sharma | 0.90 | - |
| Mr. Milind Sarwate | 1.17 | - |
| Dr. Kausalya Santhanam | 0.27 | - |
| **Total** | **2.34** | **-** |

i) Holding Company:

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Share Capital held** | | |
| CA Harbor Investments | 263.36 | - |
| **Total** | **263.36** | **-** |

(*) Expenses towards gratuity and compensated absences provisions are determined actuarially on an overall Group basis at the end of each year and accordingly have not been considered in the above information.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 49 Employee benefit plans

**(i) Defined contribution plans:**

The Group makes Provident Fund (PF) and Employee State Insurance scheme (ESIC) 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 ₹ 44.13 (31 March 2024 : ₹ 48.15) for PF contributions and ₹ 2.97 (31 March 2024 : ₹ 3.28) for ESIC contributions in the consolidated statement of profit and loss. As at 31 March 2025, contribution of ₹ 7.60 (31 March 2024 : ₹ 7.76) is outstanding which is paid subsequent to the end of respective reporting periods.

In respect of the foreign subsidiaries, the subsidiaries makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the subsidiaries are required to contribute a specified percentage payroll costs to fund the benefits. The Group recognised ₹ 235.38 (31 March 2024 : ₹ 201.89) for social security scheme contributions.

**(ii) Defined benefit plans:**

The Group has a defined Gratuity benefit plans for employees in India. The foreign subsidiaries have termination benefits for its employees in Turkey. Gratuity and termination benefits are payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarises the components of net employee benefit expenses recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

| | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity | Termination benefits | Gratuity | Termination benefits |
| **Expense/ (income) recognised in the statement of profit and loss:** | | | | |
| Current service cost | 11.27 | 6.18 | 10.70 | 6.25 |
| Net interest cost | 4.17 | 4.76 | 3.87 | 1.80 |
| **Component of defined benefit costs recognised in the statement of profit and loss** | **15.44** | **10.94** | **14.57** | **8.05** |
| **Expense / (income) recognised in other comprehensive income:** | | | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 2.19 | (2.70) | 0.52 | (10.66) |
| Actuarial (gains) / losses arising from changes in experience adjustments | 4.75 | 2.28 | 1.75 | 21.68 |
| **Component of defined benefit costs recognised in the other comprehensive income** | **6.94** | **(0.42)** | **2.27** | **11.02** |
| **Total** | **22.38** | **10.52** | **16.84** | **19.07** |

Net defined benefit obligation as reflected in balance sheet:

| | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity | Termination benefits | Gratuity | Termination benefits |
| Present value of defined benefit obligation (DBO) | 76.20 | 27.30 | 63.12 | 34.37 |
| **Net liability recognised in balance sheet** | **76.20** | **27.30** | **63.12** | **34.37** |

All amounts are in ₹ million unless otherwise stated

## 49 Employee benefit plans (Contd.)

### A. Movements in the present value of the defined benefit obligation are as follows:

| | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity | Termination benefits | Gratuity | Termination benefits |
| Opening balance | 63.12 | 34.37 | 56.23 | 43.15 |
| Current service cost | 11.27 | 6.18 | 10.70 | 6.25 |
| Interest cost | 4.17 | 4.76 | 3.87 | 1.80 |
| Benefits paid | (9.30) | (3.04) | (9.94) | (14.50) |
| **Re-measurement loss/ (gain):** | | | - | - |
| **Actuarial loss/ (gain) arising from:** | | | | |
| Actuarial (gains) / losses arising from changes in financial assumptions | 2.19 | (2.70) | 0.52 | (10.66) |
| Actuarial (gains) / losses arising from changes in experience adjustments | 4.75 | 2.28 | 1.74 | 21.69 |
| Effect of foreign currency exchange differences | - | (14.55) | - | (13.36) |
| **Closing defined benefit obligation** | **76.20** | **27.30** | **63.12** | **34.37** |

**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 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity | Termination benefits | Gratuity | Termination benefits |
| **Financial assumption:** | | | | |
| Discount rate | 6.61% | 35.70% | 7.19% | 29.26% |
| Salary escalation rate | 7.00% | 50.00%~ 30.00% | 7.00% | 50.00%~ 30.00% |
| **Demographic assumption:** | | | | |
| Withdrawal rate | 12.00% ~ 15.00% | 20.00% | 12.00% ~ 15.00% | 20.00% |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| Retirement age (in years) | 58 | 58 - 60 | 58 | 58 - 60 |

The rate used to discount post-employment benefit obligation shall be determined by reference to market yields at the end of each reporting period on government bonds.

| | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity | Termination benefits | Gratuity | Termination benefits |
| **Expected future cash flows** | | | | |
| Within 1 year | 9.53 | 15.23 | 10.16 | 12.10 |
| 2-5 years | 40.61 | 30.44 | 33.62 | 22.99 |
| 6-10 years | 35.65 | 14.67 | 28.60 | 10.87 |

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## 49 Employee benefit plans (Contd.)

**Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

| | Impact on the defined benefit obligation increase / (decrease) | | | |
|---|---|---|---|---|
| | Gratuity | | Termination benefits | |
| | 100 bps increase | 100 bps decrease | 100 bps increase | 100 bps decrease |
| **31 March 2025** | | | | |
| Discounting rate | (3.72) | 4.09 | (1.31) | 2.81 |
| Salary escalation rate | 4.41 | (4.08) | 0.01 | (0.01) |
| **31 March 2024** | | | | |
| Discounting rate | (2.97) | 3.21 | 8.19 | (7.88) |
| Salary escalation rate | 3.19 | (3.00) | (0.15) | 0.15 |

## 50 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), as approved by the Shareholders of the Company on 24 May 2010 and it was further modified by the member on 24 September 2015. Further the Group has implemented "SeQuent Scientific Employees Stock Option Plan 2020" (SeQuent ESOP 2020) as approved by shareholders on 17 January 2021.

**Employees Stock Option Plan:**

| Grant Date | No. of Options | Vesting conditions | Contractual life of the options vesting period |
|---|---|---|---|
| 30 May 2013 (*) | 27,00,000 | The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme. | 5 years |
| 12 February 2014 (*) | 5,00,000 | | |
| 28 May 2014 (*) | 9,00,000 | | |
| 12 November 2014 (*) | 10,00,000 | | |
| 11 January 2016 (*) | 5,00,000 | | |
| 14 May 2016 | 3,45,000 | | |
| 23 May 2017 | 50,000 | | |
| 02 November 2018 | 26,60,000 | | |
| 03 July 2019 | 11,35,000 | | |
| 21 September 2020 # | 1,11,600 | Option granted would vest over a maximum period of 1 year from the date of the grant | 2 years |
| 01 March 2021 | 73,50,000 | The options granted would normally vest over a maximum period of 3 to 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme. | 6 Years |
| 22 February 2022 | 10,00,000 | | |
| 11 April 2022 # | 71,00,000 | | |
| 25 July 2022 | 5,00,000 | | |
| 10 May 2023 # | 34,50,000 | | |
| 06 Nov 2023 | 5,00,000 | | |
| 06 Sep 2024 | 53,05,000 | | |

#the vesting period was modified from 3 to 5 years on 06 September 2024.

* Pursuant to sub-division of 1 equity share of ₹10 each into 5 equity shares of ₹ 2 each on 26 February 2016, the no. of options have been adjusted proportionately.

The expense on Employee Stock Option plan debited to the consolidated statement of profit and loss during 2024-25 is ₹ 324.10 (31 March 2024: ₹ 222.28). The entire amount pertains to equity-settled employee share-based payment plans.

All amounts are in ₹ million unless otherwise stated

## 50 Share-Based Payment Arrangements: (Contd.)

### B. Measurement of Fair Values

**Fair value of share options granted in the year**

The weighted average fair value of the share options granted on 06 Sep 2024 ranges from ₹ 107.67 to ₹ 124.17 (10 May 2023 ranges from ₹ 25.81 to ₹ 45.00 and granted on 06 Nov 2023 ranges from ₹ 42.39 to ₹ 59.24) 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 if any, were not taken into account in measuring fair value.

| Inputs into the model | 31 March 2025 | 31 March 2025 | 31 March 2024 | 31 March 2024 |
|---|---|---|---|---|
| Grant date | 06 Sep 2024 | 06 Sep 2024 | 06 Nov 2023 | 10 May 2023 |
| Grant date share price | 173.66 | 173.66 | 100.80 | 78.05 |
| Exercise price | 86.00 | 86.00 | 86.00 | 86.00 |
| Expected volatility | 42.45% to 43.38% | 42.45% to 43.47% | 43.12% to 43.61% | 44.95% to 43.10% |
| Option life | 3 to 6 years | 3 to 5 years | 1.5 to 5 years | 1.5 to 7.5 years |
| Dividend yield | - | - | 0.50 | 0.50 |
| Risk-free interest rate | 6.85% to 6.93% | 6.85% to 6.87% | 7.38% to 7.46% | 7.09% to 7.23% |

### 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 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | 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 | 1,30,97,500 | 86.00 | 1,09,72,500 | 86.00 |
| Granted during the year | 53,05,000 | 86.00 | 39,50,000 | 86.00 |
| Exercised during the year | 8,68,500 | 86.00 | - | - |
| Cancelled during the year | 17,00,000 | 86.00 | - | - |
| Forfeited during the year | 6,20,000 | 86.00 | 18,25,000 | 84.75 |
| **Options outstanding at the end of the year** | **1,52,14,000** | **86.00** | **1,30,97,500** | **86.00** |

### D. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 86.00 (as at 31 March 2024 : ₹ 86.00) and weighted average remaining contractual life of years 4.97 (31 March 2024: 6.37 years).

## 51 Financial instruments

The carrying value / fair value of financial instruments by categories are as follows:

| Financial assets | Carrying value and fair value | |
|---|---|---|
| | 31 March 2025 | 31 March 2024 |
| **Measured at amortised cost** | | |
| Loans | 2.12 | 1.41 |
| Trade receivables | 3,631.66 | 3,356.31 |
| Cash and cash equivalents | 626.60 | 648.10 |
| Other bank balances | 64.11 | 50.20 |
| Other financial assets | 115.77 | 139.82 |
| **Measured at fair value through other comprehensive income (FVTOCI)** | | |
| Investment in equity instruments (quoted) | 0.68 | 1.12 |

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## 51 Financial instruments (Contd.)

| Financial assets | Carrying value and fair value | |
|---|---|---|
| | 31 March 2025 | 31 March 2024 |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| Investments in mutual fund | - | 33.89 |
| Other investments | 0.05 | 0.05 |
| Foreign exchange forward contracts at FVTPL | 0.26 | 2.08 |
| **Total** | **4,441.25** | **4,232.98** |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| Borrowings (including current maturity of long-term borrowings) | 4,463.76 | 4,512.79 |
| Trade payables | 2,567.15 | 2,512.15 |
| Lease liabilities | 348.67 | 364.14 |
| Other financial liabilities | 232.29 | 139.53 |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| Foreign exchange forward contracts at FVTPL | 5.00 | 7.10 |
| **Total** | **7,616.87** | **7,535.71** |

### 51.1 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2025 and 31 March 2024:**

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets measured at fair value through profit or loss:** | | | | | |
| **Derivative financial assets (refer note 17):** | | | | | |
| Foreign currency forward contracts | 31 March 2025 | 0.26 | - | 0.26 | - |
| Foreign currency forward contracts | 31 March 2024 | 2.08 | - | 2.08 | - |
| **Financial liabilities measured at fair value through profit or loss:** | | | | | |
| **Derivative financial liabilities (refer note 30):** | | | | | |
| Foreign currency forward contracts | 31 March 2025 | 5.00 | - | 5.00 | - |
| Foreign currency forward contracts | 31 March 2024 | 7.10 | - | 7.10 | - |
| **Financial assets / financial liabilities designated at fair value through other comprehensive income (refer notes 6 and 12):** | | | | | |
| Investment in equity instruments | 31 March 2025 | 0.68 | 0.68 | - | - |
| Investment in equity instruments | 31 March 2024 | 1.17 | 1.12 | 0.05 | - |
| **Financial assets designated at fair value through profit or loss (refer notes 6 and 12):** | | | | | |
| Investment in mutual funds | 31 March 2025 | - | - | - | - |
| Investment in mutual funds | 31 March 2024 | 33.89 | - | 33.89 | - |

**There have been no transfers among Level 1, Level 2 and Level 3 during the year.**

**Notes:**

(i) Refer note 2(xviii) under material accounting policy for recognition and measurement of financial assets.

All amounts are in ₹ million unless otherwise stated

## 51 Financial instruments (Contd.)

(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.

(iii) Price risk- The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

### 51.2 Financial risk management objective and policies

The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and 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's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

#### Risk management framework

The Group's 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's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Group's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's 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's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange / Regulations.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Group's 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.

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## 51 Financial instruments (Contd.)

**51.3 Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group monitors the credit quality of the counterparties, taking into account their financial position, past experience and other factors

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Group's 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 gross trade receivable spread by period of six months:**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Outstanding for more than 6 months | 162.97 | 207.17 |
| Others | 3,506.26 | 3,182.62 |
| **Total** | **3,669.23** | **3,389.79** |

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.

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 for export customers.

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's exposure to customers is diversified and no single customer contributes to more than 10% of total revenue and outstanding trade receivables as at 31 March 2025 and 31 March 2024.

**51.4 Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The Group has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Group. Short-term liquidity situation is reviewed on a regular basis by the treasury function within the Group. 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.

All amounts are in ₹ million unless otherwise stated

## 51 Financial instruments (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2025 and 31 March 2024:

| Particulars | As at 31 March 2025 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2 years and above | Total |
| Borrowings | 1,724.97 | 20.67 | 2,718.12 | **4,463.76** |
| Trade payables | 2,567.15 | - | - | **2,567.15** |
| Lease liabilities | 85.60 | 111.68 | 151.39 | **348.67** |
| Other financial liabilities | 237.29 | - | - | **237.29** |

| Particulars | As at 31 March 2024 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2 years and above | Total |
| Borrowings | 3,085.60 | 788.00 | 639.19 | **4,512.79** |
| Trade payables | 2,512.15 | - | - | **2,512.15** |
| Lease liabilities | 73.17 | 64.90 | 226.07 | **364.14** |
| Other financial liabilities | 146.63 | - | - | **146.63** |

### 51.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group'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'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 Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures.

#### Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

**a) Foreign currency risk exposure from financial instruments are given below :**

| Foreign currency | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | Receivables / (payables) | Receivables / (payables) | Receivables / (payables) | Receivables / (payables) |
| | ₹ | in foreign currency | ₹ | in foreign currency |
| EURO | 293.28 | 3.18 | 313.20 | 3.47 |
| USD | 2,074.67 | 24.24 | 2,113.78 | 25.35 |
| GBP | 1.22 | 0.01 | 3.28 | 0.03 |
| AUD | - | - | 0.01 | 0.00 |
| EURO | (320.11) | (3.47) | (979.75) | (10.86) |
| USD | (803.66) | (9.39) | (918.04) | (11.01) |
| NOK | - | - | (0.07) | (0.01) |
| JPY | - | - | (0.50) | (0.91) |
| **Net exposure** | **1,245.40** | | **531.91** | |

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## 51 Financial instruments (Contd.)

**b) Derivative financial instruments**

Derivative transactions are undertaken to act as economic hedges for the Group's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(i) Outstanding forward exchange contracts entered into by the Group as at 31 March 2025 and 31 March 2024:

| Currency | Amount in US $ million | | Buy / Sell | Cross currency |
|---|---|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 | | |
| USD | 1.80 | 1.60 | Sell | ₹ |
| USD | - | 5.97 | Sell | Euro |
| USD | 3.00 | 1.50 | Buy | BRL |
| USD | 1.61 | 2.74 | Buy | Euro |

**c) Foreign currency sensitivity analysis**

The Group is mainly exposed to currency fluctuation of USD and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ 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 ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

| | Impact on profit or loss increase / (decrease) | |
|---|---|---|
| | 31 March 2025 | 31 March 2024 |
| **10% decrease in foreign currency** | | |
| Currency of U.S.A (USD) | (127.10) | (119.57) |
| Currency of Europe (Euro) | 2.68 | 66.65 |
| Others | (0.12) | (0.28) |
| **10% increase in foreign currency** | | |
| Currency of U.S.A (USD) | 127.10 | 119.57 |
| Currency of Europe (Euro) | (2.68) | (66.65) |
| Others | 0.12 | 0.28 |

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**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments are as follows:

| | As at 31-Mar-2025 | As at 31-Mar-2024 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial assets | | |
| - Margin money deposit | 60.56 | 50.03 |
| - Deposit accounts | 18.39 | 4.88 |
| **Total** | **78.95** | **54.91** |
| Financial liabilities | | |
| - Borrowings from bank | 244.01 | 1,178.07 |
| - Borrowings from others | 47.83 | 404.87 |
| **Total** | **291.84** | **1,582.94** |

All amounts are in ₹ million unless otherwise stated

## 51 Financial instruments (Contd.)

| | As at 31-Mar-2025 | As at 31-Mar-2024 |
|---|---|---|
| **Variable-rate instruments** | | |
| Financial liabilities | | |
| - Borrowings from bank | 3,761.43 | 2,683.59 |
| - Borrowings from others | 410.49 | 249.59 |
| **Total** | **4,171.92** | **2,933.18** |

**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.

**Interest rate sensitivity analysis for variable-rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| Effect | Increase / (decrease) in Profit before tax | |
|---|---|---|
| | 100 bps increase | 100 bps decrease |
| **31 March 2025** | | |
| Variable-rate instruments | (41.72) | 41.72 |
| **Total** | **(41.72)** | **41.72** |
| **31 March 2024** | | |
| Variable-rate instruments | (29.33) | 29.33 |
| **Total** | **(29.33)** | **29.33** |

### 51.6 Capital management

For the purpose of Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31 March 2025, there is no breach of financial covenants attached to the borrowings.

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (offset by cash and bank balances) and total equity of the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 51 Financial instruments (Contd.)

The Group's gearing ratio at end of each reporting year is as follows:

| | As at 31-Mar-2025 | As at 31-Mar-2024 |
|---|---|---|
| Borrowings (i) | 4,463.76 | 4,512.79 |
| Cash and bank balances (ii) | 626.60 | 648.10 |
| Other bank balances (iii) (refer note ii Below) | 60.32 | 49.91 |
| Current investment (iv) | 0.68 | 26.13 |
| **Net debt [ (i) - { (ii)+(iii)+(iv) } ]** | **3,776.16** | **3,788.65** |
| **Equity attributable to owners of the Company** | **7,044.74** | **6,565.60** |
| **Gearing ratio** | **53.60%** | **57.70%** |

(i) Borrowing is defined as long-term and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Equity.

## 52 Hyperinfilation Impact

The Turkey economy was designated as hyperinflationary from 1 July 2022. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to subsidiaries in Turkey viz. Provet Veteriner Ürünleri San. ve Tic. A.Ş.& TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş. whose functional currency is Turkish Lira. Considering that the presentation currency of consolidated financial statements is ₹ the restatement of comparative figures in consolidated financial statements is not required.

The cumulative hyperinflation index of Turkish economy as on the year ended March 31, 2025 was 73.40 as against 53.15 as on March 31, 2024, considered as per Index table published by Turkish Statistical Institute (TURKSTAT).

The effect of aforesaid hyperinflationary accounting on the consolidated financial statements for the year ended 31st March 2025 and 31st March 2024 is as below:

| **Particulars** | 31-Mar-25 | 31-Mar-24 |
|---|---|---|
| (a) Total assets increased | 41.48 | 104.18 |
| (b) Total income increased | 402.92 | 414.81 |
| (c) Expenditure increased [excluding amount in (d) below] | 334.79 | 557.64 |
| (d) Net monetary (gain) / loss on hyperinflation economy | (29.32) | 78.18 |

All amounts are in ₹ million unless otherwise stated

## 53 Interest of Major Non Controlling Interest in Group Activities:

| Summarised Balance Sheet | Vila Vina. Participacions, S.l. (Step Down Subsidiary In Spain) | |
|---|---|---|
| | As At 31 March 2025 | As At 31 March 2024 |
| Current Assets | 2,473.31 | 2,375.05 |
| Current Liabilities | (1,463.89) | (1,527.38) |
| **Net Current Assets** | **1,009.42** | **847.67** |
| Non-Current Assets | 1,369.22 | 1,166.16 |
| Non-Current Liabilities | (211.41) | (223.73) |
| **Net Non-Current Assets** | **1,157.81** | **942.43** |
| **Net Assets** | **2,167.23** | **1,790.10** |
| **Accumulated Non-Controlling Interest** | **663.67** | **541.21** |

| Summarised profit and loss | Vila Vina. Participacions, S.L. (Step down subsidiary in Spain) | |
|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 |
| Revenue | 4,916.61 | 4,393.56 |
| Profit for the year | 259.94 | 173.18 |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **259.94** | **173.18** |
| Profit allocated to non-controlling interest | 103.98 | 69.27 |
| Dividends paid to non-controlling interest | 18.48 | - |

## 54 Leases

The Group has lease contracts for land, office building, warehouses, Computers, Plant & machinery and vehicles taken on rent which generally have lease term of 1 to 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

**a.** Refer note 3b for movement of ROU assets.

**b.** Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Opening Balance** | 364.14 | 456.97 |
| Additions | 69.36 | 6.44 |
| Payments | (124.46) | (108.24) |
| Accretion of interest | 31.36 | 23.07 |
| Translation reserve | 11.54 | 26.24 |
| Pre closure of Lease arrangement | (3.27) | (40.34) |
| **Closing Balance** | **348.67** | **364.14** |
| Current | 85.60 | 73.17 |
| Non-current | 263.07 | 290.97 |

The effective interest rate for lease liabilities is in range from 1.50% to 24.00% per annum. (31 March 2024 - 1.50% to 24.00% per annum)

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 54 Leases (Contd.)

**c. Impact on statement of profit and loss (decrease in profit before tax for the year)**

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Depreciation expense of right-of-use assets | 67.87 | 62.41 |
| Interest expense on lease liabilities | 31.36 | 23.07 |
| Other expenses | 86.33 | 42.46 |
| | **185.56** | **127.94** |

**d. Maturity analysis of leases**

Refer note 51.4 for maturity analysis of lease liabilities.

**e. Impact on the statement of cash flows is as below:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Payment of principal portion of lease liabilities | 93.10 | 85.17 |
| Payment of interest portion of lease liabilities | 31.36 | 23.07 |
| **Net cash used in financing activities** | **124.46** | **108.24** |

**f.** The group uses the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low-value assets. ₹ 86.33 (31 March 2024 : ₹ 42.46) relates to short-term leases and low value leases which are recognised as expense in profit or loss.

## 55 Transactions With Struck Off Companies

**a)** There are no transactions with Struck off Companies during the year ended 31 March 2025.

**b)** Transactions with struck off companies as at 31 March 2024

| Name of struck off Company | | Nature of transactions with struck off Company | Balance outstanding as on 31 March 2024 | Relationship with the struck off company |
|---|---|---|---|---|
| 1 | Taneesh Travel & Tours Private Limited (OPC) | Employee Travel expenses | - | Vendor |

**56** The Group has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013.

**57** The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibited) Act, 1988 and rules made thereunder.

**58** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**59** **A.** During the year ended 31 March 2025, the Group has not advanced or loaned or invested funds to any other persons or entity (other than intercompany transactions which are eliminated in the consolidated financial statements), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**B.** During the year ended 31 March 2025, the Group has not received any fund from any persons or entity (other than inter-company transactions which are eliminated in the consolidated financial statements), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**60** The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**61** The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

**62** The quarterly returns or statements of current assets filed by the Group (including revised returns or statements) with banks or financial institutions are in agreement with the books of accounts.

**63** The Holding company and its two Indian subsidiaries has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made, if any,using privileged / administrative access rights to the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of these software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

**64** With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Holding company and its two Indian subsidiaries has maintained the books of account which are accessible in India at all times and their backup is kept on servers located in India on a daily basis, except that backup was not performed on June 19, 2024.

**65** The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt this new and amended standard, when it become effective.

Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

**66** Previous year figures have been regrouped / reclassified wherever necessary to make them comparable.

**67** The consolidated financial statement were approved for issue by the board of directors on 20 May 2025.

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No - 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN - 02977405

**Vedprakash Ragate**
Whole-time Director
DIN - 10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Independent Auditor's Report

**To the Members of Sequent Scientific Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Sequent Scientific Limited ("the Company"), which includes Sequent Scientific Employee Stock Option Plan Trust (the "Trust") which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statement and other financial information of the Trust, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive expense, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Deferred tax assets**<br>(as described in Note 8 and Note 39 of the standalone financial statements) | |
| As at March 31, 2025, the Company has Deferred Tax Asset ("DTA") of ₹ 96.44 million, which includes MAT credit of ₹ 77.57 million.The analysis of the recoverability of deferred tax assets has been identified as a key audit matter because the assessment of recoverability involves significant estimates and judgement in respect of forecasted taxable profits for future years. Due to the significance and materiality of the deferred tax balances and the judgment involved, this matter was considered significant to our audit and hence a key audit matter. | We performed the following audit procedures, among others:<br>• We obtained an understanding of the management's process for estimating the recoverability of deferred tax assets.<br>• We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analyzed results for material differences, if any.<br>• We tested the arithmetical accuracy of the computation of the amounts recognised as deferred tax assets.<br>• We involved tax experts to assist in evaluating measurement of income tax charge for the year including computation and evaluation of various tax positions and potential exposures.<br>• We read and assessed relevant disclosures made in the standalone financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition under Ind AS 115, "Revenue from contracts with customers"**<br>(as described in Note 2.4(i) and Note 30 of the standalone financial statements) | |
| The Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.<br>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter. | We performed the following audit procedures, among others:<br>• We read the Company's accounting policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers';<br>• We assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods;<br>• For sample customers, we obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns;<br>• On a sample basis, we tested underlying documents including purchase orders issued by customers, and sales invoices raised by the Company and shipping documents to assess the timing of transfer of control and the timing of revenue recognition;<br>• We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions;<br>• We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required.<br>• We read and assessed the relevant disclosures made within the standalone financial statements. |
| **Impairment assessment of investments in subsidiaries and amount due from subsidiaries:**<br>(as described in Note 5 and Note 6 of the standalone financial statements) | |
| The Company has investments in subsidiaries of ₹ 6,472.42 million and amount due from subsidiary of ₹ 3,949.43 million as at March 31, 2025. The said investments and amount due are carried at cost less allowance for impairment, if any.The Management reviews periodically whether there are any indicators of impairment of the said investments and amount due from them by reference to the requirements under Ind AS 36 and Ind AS 109. If such indicator exists, impairment loss is determined and recognized in the standalone financial statements in accordance with the accounting policies.<br>The Management carries out impairment assessment for investments and amount receivables from subsidiaries with indicators of impairment and if there are any such indicators, determines the recoverable amount based on estimates of future cash flows of the businesses covered by investments.<br>As investments in subsidiaries and amount receivables from subsidiary are significant and impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter. | We performed the following audit procedures, among others:<br>• We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models.<br>• We assessed whether there were indicators of impairment of investments and amount due from subsidiaries. Where indicators existed, we have assessed whether management has estimated the recoverable amounts of these investments and amount due from subsidiaries, including the assumptions used by the management in making such estimates.<br>• We evaluated the methodology used by the Company for future projections to determine the recoverable amount, in particular those assumptions relating to the sales growth rate, pre-tax discount rate used.<br>• We involved valuation specialists to review key assumptions considered in the recoverable amount determination.<br>• We compared the carrying values of the Company's investments and amounts due from subsidiaries with their recoverable amounts and the consequent allowance for impairment, if any.<br>• We read and assessed the relevant disclosures made in the standalone financial statements. |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive expense, 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- For the Trust included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

We did not audit the financial statements and other financial information of the Trust included in the accompanying standalone financial statements of the Company whose financial statements and other financial information reflect total assets of ₹ 28.50 million as at March 31, 2025, total revenues of ₹ Nil and net cash outflow of ₹ 7.00 million for the year ended on that date. The financial statements and other financial information of the Trust have been audited by the other auditor whose reports have been furnished to us by the management. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the Trust, is based solely on the report of such other auditors. Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   (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 except that backup of books of accounts was not performed on June 19, 2024 as stated in Note 62 to the financial statements and except for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3) (b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) 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 financial statements – Refer Note 41 to the standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 60 to the standalone financial statements, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities "Intermediaries", with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company "Ultimate Beneficiaries" or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 60 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

   v. No dividend has been declared or paid during the year by the Company.

   vi. Based on our examination which included test checks, the Company has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that in case of SAP software, audit trail feature is not enabled for certain changes made, if any, using privileged / administrative access rights as described in note 61 to the financial statements. Further, no instance of audit trail feature being tampered with was noted in respect of these software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXON4188

Place of Signature: Thane
Date: May 20, 2025

# ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Sequent Scientific Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory (including inventory lying with third parties) at reasonable intervals during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2025 and material discrepancies were not noticed in respect of such confirmations. There were no discrepancies of 10% or more in aggregate for each class of inventory noticed.

(b) As disclosed in note 59 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns / statements (including revised) filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to Companies as follows:

(₹ in Million)

| Particulars | Guarantees | Security | Loans | Advances in the nature of loans |
|---|---|---|---|---|
| Aggregate amount granted / provided during the year | | | | |
| - Subsidiary / step-down subsidiary | 3,981.86 | - | 256.97 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiary / step-down subsidiary | 5,131.86 | - | 3,949.43 | - |

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

(b) During the year, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to Companies are not prejudicial to the Company's interest.

(c) In respect of loans granted to Companies, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.

(d) There are no amounts of loans granted to Companies which are overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties

(e) There were no loans granted to Companies which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. There were no loans or advance in the nature of loan granted to firms, limited liability partnerships or any other parties which was fallen due during the year.

(f) As disclosed in note 11 to the standalone financial statements, the Company has granted loans repayable on demand to Companies. Of these, following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

(₹ in Million)

| Particulars | Amount granted during the year* |
|---|---|
| Aggregate amount of loans granted to related parties - Repayable on demand | 256.90 |
| Percentage of loans to the total loans | 100% |

*represents interest added to the principal loan as per the terms of the loan

(iv) There are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing of pharmaceuticals products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows-

| Name of the Statute | Nature of the Dues | Amount net of pre-deposits (₹ in million) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 25.34 | AY 2013-14 | Commissioner of Income Tax (Appeals) |
| Maharashtra Goods and Service Tax Act, 2017 | Goods and Service Tax | 44.04 | July 2017 to March 2018 | Deputy Commissioner (Appeals), Thane |
| Finance Act, 1994 | Service Tax | 0.64 | April 2017 to June 2017 | Deputy Commissioner (Appeals), Thane |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any amount during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 51 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 51 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXON4188

Place of Signature: Thane
Date: May 20, 2025

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEQUENT SCIENTIFIC LIMITED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Sequent Scientific Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

## Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, 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 issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXON4188

Place of Signature: Thane
Date: May 20, 2025

# Standalone Balance Sheet

as at 31 March 2025

All amounts are in ₹ million unless otherwise stated

| | Notes | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **A ASSETS** | | | |
| **I Non-current assets** | | | |
| (a) Property, plant and equipment (PPE) | 3.a | 378.27 | 352.34 |
| (b) Right-of-use assets (ROU) | 3.b | 76.39 | 64.21 |
| (c) Capital work-in-progress | 3.c | 64.26 | 51.44 |
| (d) Intangible assets | 4.a | 7.16 | 8.66 |
| (e) Intangible assets under development | 4.b | 2.19 | - |
| (f) Financial assets | | | |
| (i) Investments | | | |
| (a) Investments in subsidiaries | 5 | 6,472.42 | 6,402.92 |
| (b) Other investments | 5 | 0.05 | 0.05 |
| (ii) Loans | 6 | 3,949.43 | 3,692.47 |
| (iii) Other financial assets | 7 | 30.73 | 27.36 |
| (g) Deferred tax assets (net) | 8 | 96.44 | 115.92 |
| (h) Income tax assets (net) | 9 | 66.47 | 100.77 |
| (i) Other non-current assets | 10 | 2.95 | 8.04 |
| **Total non-current assets** | | **11,146.76** | **10,824.18** |
| **II Current assets** | | | |
| (a) Inventories | 11 | 250.54 | 345.44 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 0.68 | 1.13 |
| (ii) Trade receivables | 13 | 689.31 | 447.90 |
| (iii) Cash and cash equivalents | 14 | 0.30 | 9.26 |
| (iv) Bank balances other than (iii) above | 15 | 3.79 | 0.29 |
| (v) Loans | 16 | 0.44 | 0.40 |
| (vi) Other financial assets | 17 | 10.69 | 13.95 |
| (c) Other current assets | 18 | 119.50 | 149.38 |
| **Total non-current assets** | | **1,075.25** | **967.75** |
| **III Assets held for sale** | 3.b | **-** | **84.03** |
| **Total assets** | | **12,222.01** | **11,875.96** |
| **B EQUITY AND LIABILITIES** | | | |
| **I Equity** | | | |
| (a) Equity share capital | 19 | 500.60 | 498.86 |
| (b) Other equity | 20 | 10,925.94 | 10,373.42 |
| **Total equity** | | **11,426.54** | **10,872.28** |
| **II Liabilities** | | | |
| 1. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| Lease liabilities | 21 | 8.11 | - |
| (b) Provisions | 22 | 23.66 | 22.12 |
| (c) Other non-current liabilities | 23 | 8.13 | - |
| **Total non-current liabilities** | | **39.90** | **22.12** |
| 2. Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 24 | 443.80 | 464.55 |
| (ii) Lease liabilities | 25 | 8.41 | 3.10 |
| (iii) Trade payables | 26 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 96.73 | 76.17 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 132.59 | 295.19 |
| (iv) Other financial liabilities | 27 | 47.96 | 31.10 |
| (b) Provisions | 28 | 6.41 | 6.11 |
| (c) Other current liabilities | 29 | 19.67 | 105.34 |
| **Total current liabilities** | | **755.57** | **981.56** |
| **Total liabilities** | | **795.47** | **1,003.68** |
| **Total equity and liabilities** | | **12,222.01** | **11,875.96** |
| Material accounting policies | 2 | | |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director & Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN:10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Standalone Statement of Profit and Loss

for the period ended 31 March 2025

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

| | | Notes | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|---|
| I | Revenue from operations | 30 | 1,782.57 | 1,685.18 |
| II | Other income | 31 | 509.37 | 459.80 |
| III | **Total income (I+II)** | | **2,291.94** | **2,144.98** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 32.a | 869.12 | 1,025.41 |
| | (b) Purchases of stock-in-trade | 32.b | 102.79 | - |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 32.c | 83.09 | 53.48 |
| | (d) Employee benefits expense | 33 | 350.53 | 300.49 |
| | (e) Finance costs | 34 | 39.60 | 43.61 |
| | (f) Depreciation and amortisation expenses | 35 | 86.65 | 89.40 |
| | (g) Other expenses | 36 | 490.87 | 572.44 |
| | **Total expenses (IV)** | | **2,022.65** | **2,084.83** |
| V | **Profit before tax and exceptional item (III-IV)** | | **269.29** | **60.15** |
| VI | Exceptional items (VI) | 37 | (48.81) | (62.54) |
| VII | **Profit / (loss) before tax (V-VI)** | | **220.48** | **(2.39)** |
| VIII | **Tax expense / (credits)** | 39 | | |
| | (a) Current tax | | 38.83 | - |
| | (b) Deferred tax | | 23.71 | (13.20) |
| | (c) Adjustment of tax relating to earlier periods | | - | 4.59 |
| | **Total tax expenses / (credits)** | | **62.54** | **(8.61)** |
| IX | **Profit after tax (VII-VIII)** | | **157.94** | **6.22** |
| X | **Other comprehensive income / (expenses)** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (a) Re-measurements gain / (loss) on defined benefit plans | | (1.69) | (0.49) |
| | (b) Fair value gain / (loss) from investment in equity instruments | | (0.44) | 0.67 |
| | (c) Income tax relating to items that will not be reclassified to profit or loss | | 0.62 | 0.14 |
| | **Total other comprehensive income / (expenses) (net of tax) (X)** | | **(1.51)** | **0.32** |
| XI | **Total comprehensive income for the year, net of tax (IX+X)** | | **156.43** | **6.54** |
| | **Earnings per equity share (face value of ₹ 2 each)** | 38 | | |
| | (1) Basic (in ₹) | | 0.63 | 0.03 |
| | (2) Diluted (in ₹) | | 0.62 | 0.03 |
| | Material accounting policies | 2 | | |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN:10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Standalone Statement of Cash Flows

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Net profit/ (loss) before tax** | 220.48 | (2.39) |
| **Adjustments for:** | | |
| Depreciation and amortisation expenses | 86.65 | 89.40 |
| PPE written off | 2.70 | - |
| Allowance for doubtful trade receivables | 1.82 | - |
| Liabilities no longer required written back | (8.95) | (1.83) |
| Unrealised foreign exchange (gain) / loss | (1.20) | 0.55 |
| Finance costs | 39.60 | 43.61 |
| Fair value of corporate guarantee income | - | (1.90) |
| Interest income | (379.43) | (343.90) |
| (Profit) / loss on sale of PPE (net) and transfer of leasehold rights | (30.60) | (45.65) |
| Share-based payments to employees | 105.09 | 74.21 |
| Corporate guarantee commission | (0.41) | (16.11) |
| Exceptional items | - | 19.74 |
| **Operating profit / (loss) before working capital changes** | **35.75** | **(184.27)** |
| **Changes in working capital** | | |
| (Increase)/Decrease in trade receivables, loans and other assets | (80.00) | (249.19) |
| (Increase)/Decrease in inventories | 94.90 | 134.09 |
| (Increase)/Decrease in margin money and unpaid dividend accounts | - | 0.65 |
| Increase/(Decrease) in trade payables, other payables and provisions | (94.98) | 6.73 |
| **Net change in working capital** | **(80.08)** | **(107.72)** |
| **Cash generated from / (used in) operations** | **(44.33)** | **(291.99)** |
| Income taxes paid, net of refunds | 33.08 | 22.55 |
| **Net cash generated from / (used in) operating activities (A)** | **(11.25)** | **(269.44)** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment (PPE) and intangible assets | (119.05) | (95.39) |
| Proceeds from disposal of PPE and transfer of leasehold rights (including advances) | 33.31 | 247.22 |
| Proceeds from sale of treasury shares by SeQuent Scientific Employee Stock Option Plan Trust | - | 59.85 |
| (Investments in) / redemption of fixed deposits | (3.50) | - |
| Loan given to subsidiary company | - | (160.00) |
| Loans repaid by subsidiary company | 81.50 | - |
| Interest received | 3.37 | 3.02 |
| **Net cash generated from / (used in) investing activities (B)** | **(4.37)** | **54.70** |

# Standalone Statement of Cash Flows

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds / (repayment) from short-term borrowings (net) | (20.75) | 273.56 |
| Payment of lease liabilities | (9.64) | (9.98) |
| Proceeds in respect of employee stock options | 74.69 | - |
| Interest and other borrowing cost paid | (37.64) | (40.41) |
| **Net cash generated from / (used in) financing activities (C)** | **6.66** | **223.17** |
| **Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)** | **(8.96)** | **8.43** |
| **Cash and cash equivalents at the beginning of the year (refer note 14)** | 9.26 | 0.83 |
| **Cash and cash equivalents at the end of the year (refer note 14)** | **0.30** | **9.26** |

**Note:** The standalone statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows'.

**Reconciliation of liabilities arising from financing activities**

| For the year ended 31 March 2025 | Opening Balance | Cash Flows | Non-Cash Changes | Closing Balance |
|---|---|---|---|---|
| Borrowings and Lease liabilities | 467.65 | (30.39) | 23.06 | 460.32 |
| **Total liabilities from financing activities** | **467.65** | **(30.39)** | **23.06** | **460.32** |

| For the year ended 31 March 2024 | Opening Balance | Cash Flows | Non-Cash Changes | Closing Balance |
|---|---|---|---|---|
| Borrowings and Lease liabilities | 202.75 | 223.17 | 41.73 | 467.65 |
| **Total liabilities from financing activities** | **202.75** | **223.17** | **41.73** | **467.65** |

Material accounting policies (Refer note 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN:10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

# Standalone Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2025

**(a) Equity share capital**

All amounts are in ₹ million unless otherwise stated

| | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 24,94,33,495 | 498.86 | 24,94,33,495 | 498.86 |
| Issued during the year | 8,68,500 | 1.74 | - | - |
| **Balance at the end of the year** | **25,03,01,995** | **500.60** | **24,94,33,495** | **498.86** |

**(b) Other equity**

| | Other Equity (note 20) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium account | Employees stock options outstanding | General reserve | Treasury reserve | Retained earnings | Reserve for equity instruments through other comprehensive income | Total |
| **Balance as on 01 April 2023** | **10.65** | **9,003.24** | **562.26** | **178.64** | **(57.71)** | **387.56** | **0.12** | **10,084.76** |
| Profit for the year | - | - | - | - | - | 6.22 | - | 6.22 |
| Other comprehensive income / (expenses) for the year, net of income tax | - | - | - | - | - | (0.35) | 0.67 | 0.32 |
| **Total comprehensive income / (expenses) for the year** | **-** | **-** | **-** | **-** | **-** | **5.87** | **0.67** | **6.54** |
| Recognition of share-based payments | - | - | 222.28 | - | - | - | - | 222.28 |
| Cost of treasury shares sold during the year | - | - | - | - | 32.99 | - | - | 32.99 |
| Vested ESOP lapsed during the year transferred to general reserve | - | - | (11.46) | 11.46 | - | - | - | - |
| Profit on sale of treasury shares | - | - | - | - | - | 26.85 | - | 26.85 |
| **Balance as at 31 March 2024** | **10.65** | **9,003.24** | **773.08** | **190.10** | **(24.72)** | **420.28** | **0.79** | **10,373.42** |
| Profit for the year | - | - | - | - | - | 157.94 | - | 157.94 |
| Other comprehensive income / (expenses) for the year, net of income tax | - | - | - | - | - | (1.20) | (0.31) | (1.51) |
| **Total comprehensive income / (expenses) for the year** | **-** | **-** | **-** | **-** | **-** | **156.74** | **(0.31)** | **156.43** |

# Standalone Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

| | Other Equity (note 20) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium account | Employees stock options outstanding | General reserve | Treasury reserve | Retained earnings | Reserve for equity instruments through other comprehensive income | Total |
| Recognition of share-based payments | - | - | 324.05 | - | - | - | - | 324.05 |
| Premium on exercise of options - proceeds received | - | 201.21 | - | - | - | - | - | 201.21 |
| Employee stock options issued during the year | - | - | (129.17) | - | - | - | - | (129.17) |
| **Balance as at 31 March 2025** | **10.65** | **9,204.45** | **967.96** | **190.10** | **(24.72)** | **577.02** | **0.48** | **10,925.94** |

Material accounting policies (Refer note 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN:10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

## 1. CORPORATE INFORMATION

The standalone financial statements comprise financial statements of SeQuent Scientific Limited (the "Company") (CIN L99999TS1985PLC196357) incorporated and domiciled in India and has its registered office located at 3rd Floor, Srivalli's Corporate, Plot No. 290, SYN 33 34P TO 39, Guttala Begumpet, Jubilee Hills, Shaikpet, Hyderabad-500033, Telangana, 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 Active Pharmaceutical Ingredients.

## 2 Material accounting policies

### 2.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements were approved for issue in accordance with a resolution of the director as on 20 May 2025.

### 2.2 Basis of preparation and presentation

The standalone 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.

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 standalone 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 116 – 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.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### 2.3 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest million (up to two decimals), except otherwise stated.

### 2.4 Summary of material accounting policies

#### i. Revenue from contract with customer

a) Sale of products

Revenue from sale of products is presented in the income statement within revenue from operations. The Company presents revenue net of indirect taxes in its standalone statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue from contract with customer is recognized when the Company transfers control over the product to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control of a product refers to the ability to direct the use of and obtain substantially all of the remaining benefits from that asset. Performance obligations are satisfied at one point in time, typically on delivery. Most of the revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates / incentives is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognized in the period in which the underlying sales are recognized based on an estimate basis. The amount of sales returns is calculated on the

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

basis of management's best estimate of the amount of product that will ultimately be returned by customers.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the said earned consideration.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received from customer or due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

b) Services

Income is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

c) Export entitlements income

Export entitlements from Government authorities are recognised in the standalone 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. Effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

### ii. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,

- It is held primarily for the purpose of trading,

- It is expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading,

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

### iii. 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 translated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the standalone 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.

### iv. 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 standalone statement of profit and loss in the period in which they are incurred.

### v. Employee Benefits

a) Defined Contribution Plans

The Company has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to the standalone statement of profit and loss as and when employee renders related service.

b) Defined benefit plans

Payments to defined 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.

For defined 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), 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. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. 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 gain/ (loss).

The Company presents the service cost of defined benefit plan in the line item 'Employee benefits expense' and the net interest expense or income in the line item 'Finance costs' of the standalone statement of profit and loss. 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 plan.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

c) Short-term employee benefits

A liability is recognised for short-term employee benefit in respect of wages and salaries, annual 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.

d) Other employee benefits

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other 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 employees up to the reporting date.

### vi. 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 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a systematic 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 standalone 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.

### vii. Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the standalone 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

Current tax represents the tax currently payable 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. Provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under Income Tax Act,1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities as per Income Tax Act. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Minimum Alternate 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 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.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have any significant impact on these financial statements of the Company.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone 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.

All amounts are in ₹ million unless otherwise stated

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

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

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items recognised outside the standalone statement of profit and loss is recognised either in other comprehensive income or in equity.

### viii. Property, plant and equipment

#### a) Recognition and measurement

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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 | 5-30 |
| Plant and machinery | 2-15 |
| Computers | 3 |
| Furniture and fixtures | 2-16 |
| Office Equipments | 2-5 |
| Vehicles | 3-8 |

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

Depreciation on additions / deletions to property, plant and equipments is provided prorata from the month of addition / till the month of deletion.

#### 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 standalone 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 standalone statement of profit and loss.

### ix. 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

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 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 standalone 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 follows:

| Nature of the assets | Useful life in years |
|---|---|
| Product / process development | 5 |
| Software | 3-5 |

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 standalone statement of profit and loss as incurred.

e) Derecognition of intangible assets

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

x. 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 (FIFO) as follows:

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

(ii) Work-in-progress and intermediates: At material cost, conversion costs and appropriate share of production overheads based on normal capacity

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads based on normal capacity

(iv) Stock-in-trade: At purchase and other costs incurred in bringing the inventories to their present location and condition

However, materials and other items held for use in production of inventory are not written

All amounts are in ₹ million unless otherwise stated

down below cost, if the finished product in which they will be used are expected to be sold at or above cost.

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.

### xi. 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 disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are not recognised but are disclosed in the notes to standalone financial statements when economic inflow is probable.

### xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 standalone 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 is 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.

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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

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) 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 standalone statement of profit and loss, even on sale of the instrument. However the Company may transfer the cumulative gain or loss within the equity.

(iii) 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.

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

### (iv) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new assets obtained less any new liability assumed) shall be recognised in the standalone 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 are measured at fair value with all changes recognised in the standalone statement of profit and loss.

iii) 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 standalone 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 standalone statement of profit and loss.

## xiii. 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.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

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 standalone statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss recognised in prior years are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised in previous year

### xiv. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by 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.

### xv. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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period of time in exchange for consideration. The determination of whether an arrangement is,or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies (xiii)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Nature of the assets | Useful life in years |
|---|---|
| ROU-Land | 50-85 |
| ROU- Server | 5 |
| ROU- Vehicle | 4 |
| ROU- Building | 2 |

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised over the lease terms on the same basis as rental income.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

### xvi. Cash and cash equivalents

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

### xvii. Cash Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### xviii. Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### xix. Exceptional items

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company

### xx. Accounting and reporting of information for Operating Segments

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Geographical segments are ascertained based on the geographical location of the customers.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**2.5 Use of estimates and management judgments**

In application of the accounting policies, which are described in note 2.4, 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 standalone financial statements is included in the following notes:

i. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account amongst other things, 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 / investments 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 assets 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.

vii. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses black scholes model Employee Share Option Plan. The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 45.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

### 3.a Property, plant and equipment

| Cost | Freehold land | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **0.36** | **311.74** | **20.76** | **8.60** | **22.19** | **489.80** | **2.25** | **855.70** |
| Additions during the year | - | 10.37 | 0.10 | - | 4.00 | 40.75 | - | 55.22 |
| Less: Assets classified as held for sale (refer note 3b) | 0.36 | 63.78 | - | - | - | - | - | 64.14 |
| Less: Deletions during the year | - | - | 1.28 | 0.73 | 5.22 | 187.40 | - | 194.63 |
| **Balance as at 31 March 2024** | **-** | **258.33** | **19.58** | **7.87** | **20.97** | **343.15** | **2.25** | **652.15** |
| Additions during the year | - | 7.06 | 0.58 | 0.17 | 25.95 | 69.19 | - | 102.95 |
| Less: Assets classified as held for sale | - | - | - | - | - | - | - | - |
| Less: Deletions during the year | - | - | - | - | 0.78 | 16.66 | - | 17.44 |
| **Balance as at 31 March 2025** | **-** | **265.39** | **20.16** | **8.04** | **46.14** | **395.68** | **2.25** | **737.66** |

| Accumulated depreciation | Freehold land | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **-** | **60.19** | **7.20** | **5.99** | **13.86** | **315.65** | **1.63** | **404.52** |
| Depreciation expense for the year (refer note 35) | - | 15.10 | 3.36 | 1.12 | 3.85 | 54.48 | 0.17 | 78.08 |
| Less: Assets classified as held for sale (refer note 3b) | - | 20.62 | - | - | - | - | - | 20.62 |
| Less: Deletions during the year | - | - | 1.17 | 0.63 | 4.69 | 155.68 | - | 162.17 |
| **Balance as at 31 March 2024** | **-** | **54.67** | **9.39** | **6.48** | **13.02** | **214.45** | **1.80** | **299.81** |
| Depreciation expense for the year (refer note 35) | - | 14.89 | 3.34 | 0.84 | 6.34 | 49.05 | 0.16 | 74.62 |
| Less: Assets classified as held for sale | - | - | - | - | - | - | - | - |
| Less: Deletions during the year | - | - | - | - | 0.78 | 14.26 | - | 15.04 |
| **Balance as at 31 March 2025** | **-** | **69.56** | **12.73** | **7.32** | **18.58** | **249.24** | **1.96** | **359.39** |

| Carrying amount | Free-hold land | Buildings | Furniture and fixtures | Office equipments | Computers | Plant and machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2024** | **-** | **203.66** | **10.19** | **1.39** | **7.95** | **128.70** | **0.45** | **352.34** |
| **Balance as at 31 March 2025** | **-** | **195.83** | **7.43** | **0.72** | **27.56** | **146.44** | **0.29** | **378.27** |

**Notes:**

i) Title deeds of all the immovable properties are held in the name of the Company.

ii) Refer Note 24 for charge created on the assets.

iii) Refer Note 41 for capital commitments.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

### 3.b Right-of-use assets (ROU)

| Cost | Leasehold Land | ROU- Building | ROU- Server | ROU- Vehicles | Total |
|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **108.83** | **23.21** | **9.21** | **2.62** | **143.87** |
| Additions during the year | - | - | - | 0.71 | 0.71 |
| Less: Deletions during the year | - | - | - | - | - |
| Less: Assets classified as held for sale (refer note 1 below) | 43.36 | - | - | - | 43.36 |
| **Balance as at 31 March 2024** | **65.47** | **23.21** | **9.21** | **3.33** | **101.22** |
| Additions during the year | - | 21.66 | - | - | 21.66 |
| Less: Deletions during the year | - | 23.21 | 9.21 | 3.33 | 35.75 |
| Less: Assets classified as held for sale | - | - | - | - | - |
| **Balance as at 31 March 2025** | **65.47** | **21.66** | **-** | **-** | **87.13** |

| Accumulated depreciation | Leasehold Land | ROU- Building | ROU- Server | ROU- Vehicles | Total |
|---|---|---|---|---|---|
| **Balance as at 31 March 2023** | **5.38** | **13.19** | **9.21** | **2.23** | **30.01** |
| Depreciation expense for the year (refer note 35) | 1.07 | 7.75 | - | 0.68 | 9.50 |
| Less: Assets classified as held for sale (refer note 1 below) | 2.49 | - | - | - | 2.49 |
| **Balance as at 31 March 2024** | **3.96** | **20.94** | **9.21** | **2.91** | **37.02** |
| Depreciation expense for the year (refer note 35) | 0.79 | 8.26 | - | 0.42 | 9.47 |
| Less: Deletions | - | 23.21 | 9.21 | 3.33 | 35.75 |
| Less: Assets classified as held for sale | - | - | - | - | - |
| **Balance as at 31 March 2025** | **4.75** | **5.99** | **-** | **-** | **10.74** |

| Carrying amount | Leasehold Land | ROU- Building | ROU- Server | ROU- Vehicles | Total |
|---|---|---|---|---|---|
| **Balance as at 31 March 2024** | **61.51** | **2.28** | **-** | **0.42** | **64.21** |
| **Balance as at 31 March 2025** | **60.72** | **15.67** | **-** | **-** | **76.39** |

**Note:**

1. During the previous year ended 31 March 2024, the Company had entered into a Memorandum of Understanding (MOU) for the transfer of leasehold rights and building at its Tarapur facility for a consideration of ₹ 115.80 million (consideration revised to ₹ 114.20 million during the current year) against which an advance of ₹ 81 million were received as at 31 March 2024. The carrying value of leasehold rights ₹ 40.87 million and freehold land and building ₹ 43.16 million had been classified as "Asset held for Sale" as at 31 March 2024. In this regard, during the current year ended 31 March 2025, the Company has recognised gain of ₹ 30.17 million under the head 'Other Income' on execution of the deed of assignment for transfer of the said assets.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 3.c Detail of Capital work in Progress

**i. Capital-work-in progress (CWIP) ageing schedule as at 31 March 2025**

| Project Name | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 64.26 | - | - | - | 64.26 |

**i. Capital-work-in progress (CWIP) ageing schedule as at 31 March 2024**

| Project Name | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 41.47 | 9.97 | - | - | 51.44 |

**ii. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2025**

| | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 46.81 | - | - | - | 46.81 |

**ii. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2024**

| Project Name | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 49.73 | - | - | - | 49.73 |

## 4.a Intangible assets

| Cost | Product / process development | Software | Total |
|---|---|---|---|
| **Balance as at 01 April 2023** | 43.40 | 66.60 | 110.00 |
| Additions during the year | - | 8.32 | 8.32 |
| Less: Deletions during the year | - | 0.24 | 0.24 |
| **Balance as at 31 March 2024** | 43.40 | 74.68 | 118.08 |
| Additions during the year | - | 1.06 | 1.06 |
| Less: Deletions during the year | - | - | - |
| **Balance as at 31 March 2025** | 43.40 | 75.74 | 119.14 |

| Accumulated amortisation and impairment | Product / process development | Software | Total |
|---|---|---|---|
| **Balance as at 01 April 2023** | 43.40 | 64.44 | 107.84 |
| Amortisation expense for the year (refer note 35) | - | 1.82 | 1.82 |
| Less: Deletions during the year | - | 0.24 | 0.24 |
| **Balance as at 31 March 2024** | 43.40 | 66.02 | 109.42 |
| Amortisation expense for the year (refer note 35) | - | 2.56 | 2.56 |
| Less: Deletions during the year | - | - | - |
| **Balance as at 31 March 2025** | 43.40 | 68.58 | 111.98 |

| Carrying amount | Product / process development | Software | Total |
|---|---|---|---|
| **Balance as at 31 March 2024** | - | 8.66 | 8.66 |
| **Balance as at 31 March 2025** | - | 7.16 | 7.16 |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 4.b Intangible assets under development (IAUD)

### i. Intangible assets under development (IAUD) ageing schedule as at 31 March 2025

| Project Name | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2.19 | - | - | - | **2.19** |

### i. Intangible assets under development (IAUD) ageing schedule as at 31 March 2024

| Project Name | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | - | - | - | - | **-** |

### ii. IAUD, whose completion is overdue as compared to its original plan as at 31 March 2025

| | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1.88 | - | - | - | **1.88** |

### ii. IAUD, whose completion is overdue as compared to its original plan as at 31 March 2024

| Project Name | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | - | - | - | - | **-** |

## 5 Non-current investments

| | | Face Value | No. of shares | As at 31 March 2025 | Face Value | No. of shares | As at 31 March 2024 |
|---|---|---|---|---|---|---|---|
| **A** | **Investments in Subsidiaries** | | | | | | |
| | **Unquoted equity instruments (fully paid up) carried at cost less impairment in value of investments** | | | | | | |
| i) | Alivira Animal Health Limited, India (refer note 1 and 2 below) | 10.00 | 4,77,76,470 | 6,330.33 | 10.00 | 4,77,76,470 | 6,260.83 |
| ii) | SeQuent Research Limited | 10.00 | 44,10,000 | 142.09 | 10.00 | 44,10,000 | 142.09 |
| | **Total (A)** | | | **6,472.42** | | | **6,402.92** |
| **B** | **Other Investments** | | | | | | |
| **a** | **Unquoted equity instruments (fully paid up) carried at fair value through profit and loss** | | | | | | |
| i) | Ambarnath Chemical Manufacturers Association | 10.00 | 1,000 | 0.01 | 10.00 | 1,000 | 0.01 |
| ii) | Tarapur Industrial Manufacturers Association | 10.00 | 2,000 | 0.04 | 10.00 | 2,000 | 0.04 |
| | **Total (B)** | | | **0.05** | | | **0.05** |
| | **Total (A+B )** | | | **6,472.47** | | | **6,402.97** |
| | Aggregate carrying value of unquoted investments (gross) | | | 6,472.47 | | | 6,402.97 |
| | Aggregate market value of quoted investments | | | - | | | - |
| | Aggregate amount of impairment in value of investments | | | - | | | - |

**Note:**

1. During the Current year ended 31 March 2025, the Company provided a corporate guarantee for the loan availed by Alivira Animal Health Limited, India (wholly-owned subsidiary) and pledged 99.99% of the equity shares of its wholly-owned subsidiary, in accordance with the debt restructuring plan approved by the shareholders on March 07, 2024.
2. The change in the value of the investment in the wholly owned subsidiary, Alivira Animal Health Limited, India, is attributable to the stock options granted by the Company to the employees of its step-down subsidiary.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 6 Financial assets- Loans (Non-current)

| | As at 31 March 2025 | Maximum balance during the year | As at 31 March 2024 | Maximum balance during the year |
|---|---|---|---|---|
| **Unsecured, considered good** | | | | |
| Loan to related parties (refer note 44.3) | | | | |
| - Alivira Animal Health Limited, India | 3,949.43 | 3,949.43 | 3,692.47 | 3,692.47 |
| **Total** | **3,949.43** | **3,949.43** | **3,692.47** | **3,692.47** |

**Notes:**

i) All the above loans and advances have been given for business purposes.

ii) The above disclosure is pursuant to SEBI schedule V (Listing Obligations and Disclosure Requirements) and Section 186 (4) of the Companies Act, 2013.

iii) Interest receivable for the year has been included in the loan receivable amount as per the terms of loan as on the reporting date.

**Loans & Advances given which are repayable on demand or without specifying any terms or period of repayment to following person**

| Type of Borrower Related Parties | Location | 31-Mar-25 | | | 31-Mar-24 | | |
|---|---|---|---|---|---|---|---|
| | | Amount outstanding | % of Total | Interest rate range between | Amount outstanding | % of Total | Interest rate range between |
| Alivira Animal Health Limited, India (CIN - U74120MH2013PLC248708) | India | 3,949.43 | 100.00 | 9.80% to 10.10% p.a. | 3,692.47 | 100.00 | 9.67% to 9.97% p.a. |

## 7 Other non-current financial assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security deposits | 30.59 | 27.24 |
| Margin money deposits | 0.14 | 0.12 |
| **Total** | **30.73** | **27.36** |

**Note:**

Balances in margin money deposits are held as security against guarantees given by bank on behalf of the company.

## 8 Deferred tax assets (net) (refer note 39)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Deferred tax liability** | | |
| - Temporary differences on account of depreciation | 6.88 | - |
| **Total deferred tax liability (A)** | **6.88** | **-** |
| **Deferred tax assets** | | |
| - Expenses allowable on payment basis | 9.82 | 8.37 |
| - Unabsorbed depreciation and carried forward of losses | - | 29.72 |
| - Temporary differences on account of transactions costs related to merger | 15.32 | - |
| - Temporary differences on account of depreciation | - | 2.73 |
| - MAT credit entitlement | 77.60 | 73.99 |
| - Temporary differences on quoted equity instruments valued at fair value | 0.58 | 1.11 |
| **Deferred tax assets (B)** | **103.32** | **115.92** |
| **Total (B-A)** | **96.44** | **115.92** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 9 Income tax assets (net)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Advance income tax (net of provisions : ₹ 285.63) (31 March 2024 : ₹ 335.86) | 66.47 | 100.77 |
| **Total** | **66.47** | **100.77** |

## 10 Other non-current assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital advances | 0.71 | 2.38 |
| Deposit with government authorities | 0.02 | 0.02 |
| Prepaid expenses | 2.22 | 5.64 |
| **Total** | **2.95** | **8.04** |

## 11 Inventories

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Raw materials and packing materials | 33.42 | 41.76 |
| Goods-in transit (inward) | - | 3.47 |
| | **33.42** | **45.23** |
| | | |
| Work-in-progress and intermediates | **92.05** | **132.97** |
| | | |
| Finished goods | 103.56 | 118.09 |
| Goods-in transit (outward) | 16.53 | 44.14 |
| | **120.09** | **162.23** |
| Stores, spares and consumables | 4.11 | 2.84 |
| Fuel | 0.87 | 2.17 |
| **Total inventories (lower of cost and net realisable value)** | **250.54** | **345.44** |

**Note:**

During the year ended 31 March 2025, ₹ 0.63 (31 March 2024 : ₹14.55) was recognised as an expense towards provision for slow moving inventories and impact of inventories carried at net realisable value

## 12 Current investments

| | | Face value | No. of shares / units | As at 31 March 2025 | Face value | No. of shares / units | As at 31 March 2024 |
|---|---|---|---|---|---|---|---|
| A | **Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income** | | | | | | |
| | (i) Techindia Nirman Limited | ₹10.00 | 280 | 0.01 | ₹10.00 | 280 | - * |
| | (ii) Agritech (India) Limited | ₹10.00 | 4,927 | 0.67 | ₹10.00 | 4,927 | 1.13 |
| | **Total (A)** | | | **0.68** | | | **1.13** |
| B | **Other unquoted equity instruments (fully paid up) carried at fair value through other comprehensive income** | | | | | | |
| | (i) Aditya Investment & Communication Limited | ₹10.00 | 58,800 | - * | ₹10.00 | 58,800 | - * |
| | (ii) Agrodutch Industries Limited | ₹10.00 | 36,250 | - * | ₹10.00 | 36,250 | - * |
| | **Total (B)** | | | **-** | | | **-** |
| | **Total (A + B)** | | | **0.68** | | | **1.13** |
| | Aggregate market value of quoted investments | | | 0.68 | | | 1.13 |
| | Aggregate carrying value of unquoted investments | | | - * | | | - * |

* represents amount lower than ₹ 10,000

All amounts are in ₹ million unless otherwise stated

## 13 Trade receivables

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Unsecured, considered good | 196.47 | 239.26 |
| Unsecured, considered good (related party) | 492.84 | 208.64 |
| Unsecured, considered doubtful | 1.98 | 0.17 |
| | **691.29** | **448.07** |
| **Impairment allowance (allowance for bad and doubtful debts)** | | |
| Less: Allowance for doubtful trade receivables | 1.98 | 0.17 |
| **Total** | **689.31** | **447.90** |

**As at 31 March 2025**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Current but not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 369.87 | 319.44 | - | - | - | - | 689.31 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk. | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk. | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | 1.98 | - | - | 1.98 |
| **Total** | **369.87** | **319.44** | **-** | **1.98** | **-** | **-** | **691.29** |

**As at 31 March 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Current but no due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 285.19 | 156.51 | 4.55 | - | - | - | 446.25 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk. | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | | - |
| (iv) Disputed Trade Receivables - considered good | - | - | 1.82 | - | - | - | 1.82 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk. | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **285.19** | **156.51** | **6.37** | **-** | **-** | **-** | **448.07** |

**Note:**

1. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
2. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
3. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except disclosed in note 44.3
4. Refer note 49.3 for term and other details.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 14 Cash and cash equivalents

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Balances with banks | | |
| - In current accounts | 0.30 | 9.26 |
| **Total** | **0.30** | **9.26** |
| **Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"** | **0.30** | **9.26** |

## 15 Bank balances other than note 14 above

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Deposits with banks having original maturity more than 3 months but less than 12 months | 3.50 | - |
| In earmarked accounts | | |
| - Unpaid dividend accounts | 0.29 | 0.29 |
| **Total** | **3.79** | **0.29** |

## 16 Financial assets-loan (current)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loan to employees | 0.44 | 0.40 |
| **Total** | **0.44** | **0.40** |

## 17 Other current financial assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Export incentives receivable | 1.03 | 0.33 |
| Claim receivables | 8.30 | - |
| Derivative instruments (fair value) | 0.01 | - |
| Others receivables* | 1.34 | 13.60 |
| Interest accrued on fixed deposits | 0.01 | 0.02 |
| **Total** | **10.69** | **13.95** |

* During the previous year "others receivable" includes receivable in respect of sale of property, plant and equipment.

## 18 Other current assets

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to suppliers | 9.42 | 11.95 |
| Balances with government authorities | 87.93 | 123.01 |
| Prepaid expenses | 22.15 | 14.42 |
| **Total** | **119.50** | **149.38** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 19 Share capital

| | No. of shares | As at 31 March 2025 | No. of shares | As at 31 March 2024 |
|---|---|---|---|---|
| **(a) Authorised** | | | | |
| Equity shares of ₹ 2 each | 40,00,00,000 | 800.00 | 40,00,00,000 | 800.00 |
| **(b) Issued, subscribed and fully paid-up** | | | | |
| Equity shares of ₹ 2 each | 25,03,01,995 | 500.60 | 24,94,33,495 | 498.86 |
| **Total** | | **500.60** | | **498.86** |

**Notes:**

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

| | No. of shares | Amount |
|---|---|---|
| Fully paid equity shares | | |
| **Balance as on 31 March 2023** | **24,94,33,495** | **498.86** |
| Shares issued during the year | - | - |
| **Balance as on 31 March 2024** | **24,94,33,495** | **498.86** |
| Shares issued during the year | 8,68,500 | 1.74 |
| **Balance as on 31 March 2025** | **25,03,01,995** | **500.60** |

**(ii) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

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

| Name of the shareholder | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| CA Harbor Investments | 13,16,80,103 | 52.61% | 13,16,80,103 | 52.79% |
| Quant Mutual Fund - Quant Healthcare Fund | 2,38,48,370 | 9.53% | - | - |

**(iv) Disclosure of shareholding of the Promoters**

| Name of the Promoter | As at 31 March 2025 | | | As at 31 March 2024 | | |
|---|---|---|---|---|---|---|
| | No of shares | % of total Shares | % Change during the year | No of shares | % of total Shares | % Change during the year |
| CA Harbor Investments | 13,16,80,103 | 52.61% | -0.18% | 13,16,80,103 | 52.79% | 0.00% |

**(v)** 4,12,250 shares of ₹ 2 each (as at 31 March 2024: 4,12,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 20 Other equity

| | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| Capital reserve | | 10.65 | 10.65 |
| Securities premium account | | 9,204.45 | 9,003.24 |
| Share options outstanding account | | 967.96 | 773.08 |
| General reserve | | 190.10 | 190.10 |
| Retained earnings | | 577.02 | 420.28 |
| Reserve for equity instruments through other comprehensive income | | 0.48 | 0.79 |
| Treasury reserve | | (24.72) | (24.72) |
| **Total** | | **10,925.94** | **10,373.42** |
| | | | |
| **(a)** | **Capital reserve** | **10.65** | **10.65** |
| **(b)** | **Securities premium account** | | |
| | Balance at the beginning of the year | 9,003.24 | 9,003.24 |
| | Add: Premium on exercise of options - proceeds received | 201.21 | - |
| | **Balance at the end of the year** | **9,204.45** | **9,003.24** |
| **(c)** | **Share options outstanding account** | | |
| | Balance at the beginning of the year | 773.08 | 562.26 |
| | Add: Employee stock option expenses for company and its subsidiaries | 324.05 | 222.28 |
| | Add: Exercise of options | (129.17) | - |
| | Less: Transferred to general reserve on vested options lapsed during the year | - | (11.46) |
| | **Balance at the end of the year** | **967.96** | **773.08** |
| **(d)** | **General reserve** | | |
| | Balance at the beginning of the year | 190.10 | 178.64 |
| | Add: Vested options lapsed during the year | - | 11.46 |
| | **Balance at the end of the year** | **190.10** | **190.10** |
| **(e)** | **Retained earnings** | | |
| | Balance at the beginning of the year | 420.28 | 387.56 |
| | Add: Profit for the year | 157.94 | 6.22 |
| | Add / (less): Other comprehensive income/(expenses) arising from remeasurement of defined benefit obligations, net of income tax | (1.20) | (0.35) |
| | Add: Profit on sale of treasury shares by SeQuent Scientific Employee Stock Option Plan Trust | - | 26.85 |
| | **Balance at the end of the year** | **577.02** | **420.28** |
| **(f)** | **Reserve for equity instruments through other comprehensive income** | | |
| | Balance at the beginning of the year | 0.79 | 0.12 |
| | Add / (less) : Net fair value gain/ (loss) on investment in equity instruments at FVTOCI | (0.31) | 0.67 |
| | **Balance at the end of the year** | **0.48** | **0.79** |
| **(g)** | **Treasury reserve** | | |
| | Balance at the beginning of the year | (24.72) | (57.71) |
| | Less: Cost of treasury shares sold during the year | - | 32.99 |
| | **Balance at the end of the year** | **(24.72)** | **(24.72)** |

All amounts are in ₹ million unless otherwise stated

## 20 Other equity (contd)

**Note:**

| Profit and tax on sale of treasury shares | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Sales consideration | - | 62.84 |
| Less: Cost of treasury shares sold | - | 32.99 |
| Profit on sale of treasury shares | - | 29.85 |
| Tax on above profit | - | (3.00) |

### Nature and purpose of Reserves

**(a) Capital reserve**

Capital reserves pertains to amalgamation of subsidiary company

**(b) Securities premium account**

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued. The reserves can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(c) Share options outstanding account**

This relate to shares granted to the employees of the Company and its subsidiaries.

**(d) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**(e) Retained earnings**

Retained earnings are the profits / (loss) that the Company has earned / incurred till date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

**(f) Reserve for equity instruments through other comprehensive income**

Reserve for equity instruments through other comprehensive income represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified, if any, to retained earnings when those instruments are disposed off.

**(g) Treasury reserve**

Treasury reserve represents the shares of the Company held by SeQuent Scientific Employee Stock Option Plan Trust.

## 21 Non current lease liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Lease liabilities (Refer note 46) | 8.11 | - |
| **Total** | **8.11** | **-** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 22 Non-current provisions

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 40) | 18.53 | 16.80 |
| Compensated absences (refer note below) | 5.13 | 5.32 |
| **Total** | **23.66** | **22.12** |

**Note:**

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

## 23 Other non-current liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Unamortised income related to corporate guarantee commission | 8.13 | - |
| **Total** | **8.13** | **-** |

## 24 Current borrowings

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Secured loan - at amortised cost** | | |
| From bank (refer below notes) | 202.64 | 464.55 |
| **Unsecured loan - at amortised cost** | | |
| From financial institution (refer below notes) | 241.16 | - |
| **Total** | **443.80** | **464.55** |

**Notes:**

(i) Working capital loan from banks are secured by exclusive charge on current assets of the Company and by unconditional & irrevocable guarantee from it's wholly-owned-subsidiary Alivira Animal Health Limited, India.

(ii) Refer Note 26 on disclosures related to financing arrangements with financial institutions in respect of payments to certain suppliers of the Company.

(iii) The interest on working capital loan from bank is floating in nature which ranges from 9.35% to 10.10% per annum. (31 March 2024: 9.00% to 9.70% per annum).

(iv) The interest on working capital loan from financial institution is floating in nature which ranges from 7.83% to 8.50% per annum. (31 March 2024: 7.70% to 8.50% per annum).

(v) There has been no breach of covenants attached to the borrowings as at 31 March 2025.

## 25 Lease liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Lease liabilities (Refer note 46) | 8.41 | 3.10 |
| **Total** | **8.41** | **3.10** |

## 26 Trade payables

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 42) | 96.73 | 76.17 |
| Total outstanding dues of creditors other than micro and small enterprises | 132.59 | 295.19 |
| | **229.32** | **371.36** |
| Trade payables | 226.78 | 371.36 |
| Trade payables to related parties | 2.54 | - |
| **Total** | **229.32** | **371.36** |

All amounts are in ₹ million unless otherwise stated

## 26 Trade payables (contd)

**As on 31 March 2025**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade payables-micro and small enterprises (MSME) | - | 96.73 | - | - | - | - | 96.73 |
| (ii) Undisputed Trade payables - Others | 23.77 | 76.36 | 32.23 | 0.19 | 0.04 | - | 132.59 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| **Total** | **23.77** | **173.09** | **32.23** | **0.19** | **0.04** | **-** | **229.32** |

**As on 31 March 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade payables-micro and small enterprises | - | 76.17 | - | - | - | - | 76.17 |
| (ii) Undisputed Trade payables - Others | 23.22 | 199.47 | 18.43 | 34.51 | 6.54 | 11.08 | 293.25 |
| (iii) Disputed dues - MSME | | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | 0.96 | 0.98 | - | 1.94 |
| **Total** | **23.22** | **275.64** | **18.43** | **35.47** | **7.52** | **11.08** | **371.36** |

**Notes**:

(i) Trade payables (other than due to micro, small and medium enterprises) are non-interest bearing and are normally settled in 90 - 120 days.

(ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 49.

(iii) Refer note 44.3 for dues payable to related parties

(iv) The Company has entered into an agreement with financial institutions for the supply chain financing arrangement. As per the arrangement, the suppliers may elect to factor their receivable from the Company and receive the payment due from the financial institutions before the due date. As per the arrangement, the financial institutions agrees to pay amounts which Company owes to it's suppliers and the Company agrees to pay the financial institutions at a date later than suppliers are paid.

The nature and function of the liabilities remain the same even after factoring as the Company is neither legally released from its original obligation to the supplier nor the terms of the original liability are amended in a way that is considered a substantial modification. Hence, the Company has not derecognised the liabilities which are factored by the suppliers and disclosed the said amount within trade payables. Further, no additional interest has been paid to the financial institution by the Company on the amounts due to the suppliers. The payable under supply chain financing arrangement amounts to ₹ 19.06 million as at 31 March 2025 (31 March 2024: ₹ 119.78 million).

Apart from the above, the Company has also entered into arrangements, wherein the Company requests the financial institutions to make payments on the due date agreed with the suppliers and the Company pays to the financial institutions at the end of the extended period of payment. In this case, the Company derecognizes the liabilities towards the suppliers on the date of payment by the financial institutions to the suppliers and recognizes the amounts paid within Borrowings. During the year ended March 31, 2025, the Company has recognized interest expense amounting to ₹ 15.26 million (31 March 2024: ₹ 10.75 million) under the aforementioned arrangement. The payable to the financial institution amounts to ₹ 241.16 million as at 31 March 2025 (31 March 2024: ₹ 152.69 million) under this arrangement which has been recognized under "Short Term Borrowings" in the financial statements.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 27 Other current financial liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Unclaimed dividends | 0.29 | 0.29 |
| Employee benefits payable | 33.06 | 13.17 |
| Payables on purchase of property, plant and equipment | 5.62 | 10.62 |
| Interest accrued but not due on borrowings | 1.49 | 2.24 |
| Payables for Interest on MSME | - | 4.78 |
| Others | 7.50 | - |
| **Total** | **47.96** | **31.10** |

## 28 Current provisions

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer note 40) | 3.12 | 2.87 |
| Compensated absences | 3.29 | 3.24 |
| **Total** | **6.41** | **6.11** |

## 29 Other current liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Statutory remittances | 11.28 | 7.77 |
| Advance from customers | 0.14 | 5.56 |
| Unamortised income related to corporate guarantee commission | 8.25 | 11.01 |
| Advances against assets classified as held for sale (refer note 3b) | - | 81.00 |
| **Total** | **19.67** | **105.34** |

## 30 Revenue from operations

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Sale of products (refer note below) | 1,696.42 | 1,577.13 |
| **Other operating revenues** | | |
| Processing and conversion charges (refer note 44.2) | 76.49 | 102.60 |
| Duty drawback and other export incentives | 7.64 | 3.91 |
| Sale of scrap | 1.98 | 1.54 |
| Other Operating Income | 0.04 | - |
| **Total** | **1,782.57** | **1,685.18** |

| | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **(i)** | **Sale of products comprises:** | | |
| | (a) Manufactured goods | | |
| | Bulk drugs | 1,570.34 | 1,577.13 |
| | **Total- Sale of manufactured goods** | **1,570.34** | **1,577.13** |
| | (b) Traded goods | | |
| | Bulk drugs | 126.08 | - |
| | **Total- Sale of traded goods** | **126.08** | **-** |
| | **Total- Sale of products** | **1,696.42** | **1,577.13** |

All amounts are in ₹ million unless otherwise stated

## 30 Revenue from operations (contd)

| | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **(ii)** | **Trade receivables and Contract Balances** | | |
| | The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer. | | |
| **(iii)** | **Contract Balances:** | | |
| | Trade receivables (refer note 13) | 689.31 | 447.90 |
| | Contract liabilities (refer note 30) | 0.14 | 5.56 |
| | | **689.17** | **442.34** |
| | Contract liabilities include short-term advances received from customers for sale of products. | | |
| **(iv)** | **Reconciliation of revenue from sale of products with the contracted price:** | | |
| | Contracted price | 1,737.42 | 1,616.43 |
| | Less: trade discounts and sales returns | 41.00 | 39.30 |
| | **Sale of products** | **1,696.42** | **1,577.13** |
| **(v)** | **Timing of revenue recognition:** | | |
| | Revenue recognized at a point of time | 1,696.42 | 1,577.13 |
| | Revenue recognized over the time | - | - |
| | **Revenue from contract with customer** | **1,696.42** | **1,577.13** |

## 31 Other income

| | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| Interest income [refer note (i) below] | | 379.43 | 343.90 |
| Profit on sale of PPE (net) and transfer of leasehold rights (refer note 3b) | | 30.60 | 45.65 |
| Other non-operating income [refer note (ii) below] | | 99.34 | 67.06 |
| Net gain on foreign currency transactions and translation | | - | 1.29 |
| Fair value of corporate guarantee income * | | - | 1.90 |
| **Total** | | **509.37** | **459.80** |
| **(i)** | **Interest income comprises:** | | |
| | Interest on: | | |
| | Bank deposits | 0.04 | 0.01 |
| | Loans to subsidiary companies (refer note 44.2) | 376.07 | 340.87 |
| | Others | 3.32 | 3.02 |
| | **Total** | **379.43** | **343.90** |
| **(ii)** | **Other non-operating income comprises:** | | |
| | Rental income (refer note 44.2) | 10.85 | 10.46 |
| | Guarantee commission (refer note 44.2) * | 27.53 | 16.11 |
| | Miscellaneous income ** | 13.27 | 2.05 |
| | Corporate cross charge (refer note 44.2) | 47.69 | 38.44 |
| | **Total** | **99.34** | **67.06** |

* Fair value of corporate guarantee represents income on guarantee provided to a subsidiary Company.

** Includes write back of liabilities no longer payable amounting to ₹ 4.78 million for the year ended 31 March 2025 in respect of estimated provision created for delayed payments to MSME vendors.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

### 32.a Cost of materials consumed

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening stock (including in-transit) | 45.23 | 120.81 |
| Add: Purchases | 857.31 | 949.83 |
| Less: Closing stock (including in-transit) | 33.42 | 45.23 |
| **Total** | **869.12** | **1,025.41** |
| **Materials consumed comprises:** | | |
| Solvents | 149.73 | 179.94 |
| Chemicals | 719.39 | 845.47 |
| **Total** | **869.12** | **1,025.41** |

### 32.b Purchases of stock-in-trade

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Purchases of stock-in-trade | 102.79 | - |
| **Total** | **102.79** | **-** |
| **Purchases of stock-in-trade comprises:** | | |
| Bulk drugs | 102.79 | - |
| **Total** | **102.79** | **-** |

### 32.c Changes in inventories of finished goods and work-in-progress

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Opening stock (including in-transit)** | | |
| Work-in-progress and intermediates | 132.97 | 175.12 |
| Finished goods and other inventories | 167.24 | 178.57 |
| | **300.21** | **353.69** |
| **Closing stock (including in-transit)** | | |
| Work-in-progress and intermediates | 92.05 | 132.97 |
| Finished goods and other inventories | 125.07 | 167.24 |
| | **217.12** | **300.21** |
| **Net increase/ (decrease)** | **83.09** | **53.48** |

## 33 Employee benefit expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Salaries and allowances | 219.03 | 201.72 |
| Contributions to provident fund, gratuity and other funds (refer note 40) | 16.95 | 17.64 |
| Share-based payments to employees (refer note 45) | 105.09 | 74.21 |
| Staff welfare expenses | 9.46 | 6.92 |
| **Total** | **350.53** | **300.49** |

## 34 Finance costs

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Interest expense on borrowings | 27.13 | 37.73 |
| Other borrowing costs | 11.07 | 5.27 |
| Interest expense on leases liabilities (refer note 46) | 1.40 | 0.61 |
| **Total** | **39.60** | **43.61** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 35 Depreciation and amortisation expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Depreciation on property,plant and equipment (refer note 3a) | 74.62 | 78.08 |
| Depreciation on Right of use assets (refer note 3b) | 9.47 | 9.50 |
| Amortisation on intangible assets (refer note 4a) | 2.56 | 1.82 |
| **Total** | **86.65** | **89.40** |

## 36 Other expenses

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Power, water and fuel | 125.25 | 128.89 |
| Consumables | 23.65 | 20.85 |
| Conversion and processing charges | 54.03 | 133.33 |
| Freight and forwarding | 23.41 | 10.87 |
| Rent | 5.39 | 1.31 |
| Rates and taxes | 2.82 | 3.46 |
| Communication expenses | 2.00 | 2.80 |
| Repairs and maintenance | | |
| Building | 13.92 | 13.14 |
| Machinery | 24.88 | 20.11 |
| Others | 25.02 | 25.17 |
| Legal and professional fees | 74.93 | 79.49 |
| Insurance | 21.21 | 18.90 |
| Subscription and annual maintenance charges | 16.87 | 30.56 |
| Travelling and conveyance | 7.09 | 5.92 |
| Advertisement and selling expenses | 1.71 | 2.82 |
| Commission on sales | 2.61 | 1.84 |
| Payments to auditors (refer note (i) below) | 8.96 | 9.28 |
| Analytical charges | 13.31 | 11.35 |
| CSR expenses (refer note 51) | - | 2.86 |
| Allowances for doubtful trade receivables | 1.82 | - |
| Net loss/ (Gain) on foreign currency transactions and translation | 0.05 | - |
| Property, plant and equipment written off | 2.74 | - |
| Others | 39.20 | 49.49 |
| **Total** | **490.87** | **572.44** |

**Note:**

**(i) Payments to the auditors comprises (net of Goods and Services Tax):**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| As auditors - statutory audit (including fees for undertaking limited reviews) | 7.21 | 8.60 |
| Fee for certification and other services | 1.39 | 0.07 |
| Reimbursement of expenses | 0.36 | 0.61 |
| **Total** | **8.96** | **9.28** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 37 Exceptional Items

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Expenses related to proposed scheme of amalgamation [refer note (a) below] | 52.61 | - |
| (Reversal) / Expenses related to operations restructuring drive and closure of Tarapur manufacturing facility [refer note (b) below] | (3.80) | 62.54 |
| **Total** | **48.81** | **62.54** |

**Note:**

(a) The Board of Directors of the Company at their meeting held on 26 September 2024 have approved the Composite Scheme of Amalgamation (the Scheme) amongst the Company, Sequent Research Limited (wholly owned subsidiary of the Company), Viyash Life Sciences Private Limited, Symed Labs Limited, Vandana Life Sciences Private Limited, Appcure Labs Private Limited, Vindhya Pharma (India) Private Limited, SV Labs Private Limited, Vindhya Organics Private Limited, Genin Life Sciences Private Limited in terms of Section 230-232 and other applicable provisions of Companies Act, 2013. The Scheme would become effective after receipt of all requisite approval. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial statement for the year ended 31 March 2025. In this regard, the Company has incurred transaction costs pertaining to Scheme amounting to ₹52.61 million for the year ended 31 March 2025.

(b) During the year ended 31 March 2025, based on confirmation from vendor, the Company has reversed provision by ₹3.80 million related to domain expert advisory fees towards revamping of manufacturing and procurement processes, in respect of which expense of ₹34.22 million was recorded for the year ended 31 March 2024. Further, during the year ended 31 March 2024, the Company had incurred the following non-recurring expenses towards restructuring of its operations by closing its API manufacturing facility at MIDC, Tarapur, Maharashtra :

(i) Provision for diminution in value of immovable assets at Tarapur manufacturing facility aggregating to ₹19.74 million.

(ii) Settlement payment to the employees at Tarapur manufacturing facility aggregating to ₹8.58 million.

## 38 Earnings per share

**Profit attributable to equity shareholders**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Profit for the year attributable to equity holders of the Company | 157.94 | 6.22 |
| **Profit attributable to equity shareholders for basic and diluted earnings** | **157.94** | **6.22** |

**Weighted average number of equity shares**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Equity shares at beginning of the year | 24,94,33,495 | 24,94,33,495 |
| Weighted average no. of shares issued during the year | 3,53,878 | - |
| Weighted average effect of treasury shares | (4,12,250) | (8,08,971) |
| **Weighted average number of equity shares at end of the year for basic EPS *** | 24,93,75,123 | 24,86,24,524 |
| Share options | 68,90,629 | 12,58,285 |
| **Weighted average number of equity shares at end of the year for diluted EPS** | **25,62,65,752** | **24,98,82,809** |

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Basic earnings per share (in ₹ ) | 0.63 | 0.03 |
| Diluted earnings per share (in ₹ ) | 0.62 | 0.03 |

* Earning per share (EPS)

All amounts are in ₹ million unless otherwise stated

## 39 Reconciliations of tax expenses and details of deferred tax balances

### A) Income tax expense recognised in the standalone statement of profit and loss

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **i) Income tax expense recognised in the standalone statement of profit and loss** | | |
| Current tax | 38.83 | - |
| Adjustment of income tax relating to earlier periods | - | 4.59 |
| **Total (I)** | **38.83** | **4.59** |
| **Deferred tax charge/ (credit)** | | |
| Origination and reversal of temporary differences | 23.71 | (13.20) |
| **Total (II)** | **23.71** | **(13.20)** |
| **Total (III = I+II)** | **62.54** | **(8.61)** |
| **ii) Tax on other comprehensive income** | | |
| Re-measurement (gains) / losses on defined benefit plans | 0.62 | (0.14) |
| **Total (IV)** | **0.62** | **(0.14)** |
| **Total (III+IV)** | **63.16** | **(8.75)** |

### B) Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Profit / (loss) before tax** | **220.48** | **(2.39)** |
| Statutory income tax rate | 29.12% | 29.12% |
| **Tax as per applicable tax rate** | **64.20** | **(0.70)** |
| **Differences due to:** | | |
| - Income not chargeable to tax | (1.37) | - |
| - Provision for tax of earlier years written back | - | 4.59 |
| - Capital loss not recognized in respect of gain on transfer of leasehold rights | - | (12.84) |
| - Others | (0.29) | 0.34 |
| **Income tax expenses charged to the standalone statement of profit and loss** | **62.54** | **(8.61)** |
| **Effective tax rate** | **28.37%** | **360.34%** |

During the previous years the Company has recognised MAT credit entitlement which is expected to be available for set off in the future years.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 39 Reconciliations of tax expenses and details of deferred tax balances (contd)

**C) Movement in deferred tax assets and liabilities**

| | As at 01 April 2024 | Credit / (charge) in the statement of profit and loss | Credit / (charge) in statement of profit and loss (disclosed under adjustment of tax relating to earlier periods) | Credit / (charge) in other compre-hensive income | As at 31 March 2025 |
|---|---|---|---|---|---|
| **Deferred tax asset (net)** | | | | | |
| - Temporary differences on account of depreciation | 2.73 | (9.61) | - | - | (6.88) |
| - Expenses allowable on payment basis | 8.37 | 0.83 | - | 0.62 | 9.82 |
| - Carried forward of losses | 29.72 | (29.72) | - | - | - |
| - Temporary differences on quoted equity instruments valued at fair value | 1.11 | (0.53) | - | - | 0.58 |
| - Temporary differences on account of transactions costs related to merger | - | 15.32 | - | - | 15.32 |
| - MAT credit entitlement | 73.99 | - | 3.61 | - | 77.60 |
| **Total** | **115.92** | **(23.71)** | **3.61** | **0.62** | **96.44** |

| | As at 01 April 2023 | Credit / (charge) in the statement of profit and loss | Credit / (charge) in statement of profit and loss (disclosed under adjustment of tax relating to earlier periods) | Credit / (charge) in other compre-hensive income | As at 31 March 2024 |
|---|---|---|---|---|---|
| **Deferred tax asset (net)** | | | | | |
| - Temporary differences on account of depreciation | (1.44) | 4.17 | - | - | 2.73 |
| - Expenses allowable on payment basis | 11.31 | (3.08) | - | 0.14 | 8.37 |
| - Carried forward of losses | 30.66 | 10.99 | (11.93) | - | 29.72 |
| - Temporary differences on quoted equity instruments valued at fair value | - | 1.11 | - | - | 1.11 |
| - MAT credit entitlement | 81.77 | - | (7.78) | - | 73.99 |
| **Total** | **122.30** | **13.20** | **(19.71)** | **0.14** | **115.92** |

**(D)** The Company has not opted for section 115BAA introduced under Taxation Law (Amendment) Ordinance, 2019, considering the accumulated MAT credit and other benefits available under the Income Tax Act, 1961.

## 40 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 ₹ 12.82 (31 March 2024 : ₹ 13.01) for Provident Fund contributions and ₹ 1.21 (31 March 2024 : ₹ 1.48) for Employee State Insurance Scheme contributions in the standalone statement of profit and loss. As at 31 March 2025, contribution of ₹2.25 (31 March 2024 : ₹2.08) is outstanding which is paid subsequent to the end of respective reporting periods.

All amounts are in ₹ million unless otherwise stated

## 40 Employee benefit plans (contd)

**(ii) Defined benefit plans:**

The Company has a defined Gratuity benefit plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarises the components of net employee benefit expenses recognised in the standalone statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Expense / (income) recognised in the statement of profit and loss:** | | |
| Current service cost | 2.92 | 3.15 |
| Net interest cost | 1.30 | 1.38 |
| **Component of defined benefit costs recognised in the statement of profit and loss** | **4.22** | **4.53** |
| **Expense / (income) recognised in other comprehensive income:** | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains) / losses arising from change in financial assumptions | 0.65 | 0.16 |
| Actuarial (gains) / losses arising from experience adjustment | 1.04 | 0.32 |
| **Components of defined benefit costs recognised in other comprehensive income** | **1.69** | **0.48** |
| **Total** | **5.91** | **5.01** |

The current service cost is included in 'Employee benefit expenses' and net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**Net defined benefit obligation as reflected in balance sheet:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Present value of defined benefit obligation (DBO) | 21.65 | 19.68 |
| Fair value of plan assets | - | - |
| **Net liability recognised in balance sheet** | **21.65** | **19.68** |

**A. Movements in the present value of the defined benefit obligation are as follows:**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening defined benefit obligation | 19.68 | 19.98 |
| Current service cost | 2.92 | 3.15 |
| Net Interest cost | 1.30 | 1.38 |
| Benefits paid | (3.94) | (5.31) |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | 0.65 | 0.16 |
| Actuarial (gains) / losses arising from changes in experience adjustment | 1.04 | 0.32 |
| **Closing defined benefit obligation** | **21.65** | **19.68** |

**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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 40 Employee benefit plans (contd)

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Financial assumption:** | | |
| Discount rate | 6.61% | 7.19% |
| Salary escalation rate | 7.00% | 7.00% |
| **Demographic assumption:** | | |
| Withdrawal rate | 15.00% | 15.00% |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| Retirement Age | 58 yrs | 58 yrs |

The rate used to discount post-employment benefit obligation (both funded and unfunded) is determined by reference to market yields at the end of each reporting period on government bonds.

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Expected future cash flows** | | |
| Within 1 Year | 3.12 | 2.87 |
| 2-5 years | 11.12 | 11.31 |
| 6-10 years | 9.22 | 7.86 |

Average expected future working life is 6.15 years (previous year 6.16 years)

**Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

| | Impact on the defined benefit obligation increase / (decrease) | |
|---|---|---|
| **31 March 2025** | **100 bps increase** | **100 bps decrease** |
| Discounting rate | (1.09) | 1.21 |
| Salary escalation rate | 1.30 | (1.19) |
| | | |
| **31 March 2024** | **100 bps increase** | **100 bps decrease** |
| Discounting rate | (0.94) | 1.00 |
| Salary escalation rate | 1.00 | (0.95) |

## 41 Contingent liabilities and commitments (to the extent not provided for)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Contingent liabilities** | | |
| Indirect tax matters | 11.05 | 0.12 |
| **Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | |
| - Property, plant and equipment | 12.82 | 11.25 |
| Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary | 2,650.00 | 2,833.11 |
| Corporate Guarantee given to lenders for loan facility availed by step down subsidiary | 2,481.86 | - |

All amounts are in ₹ million unless otherwise stated

## 42 Dues to micro and small enterprises (refer note 26)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount payable to micro and small enterprises | 96.73 | 76.17 |
| Interest due on above | - | - |
| | **96.73** | **76.17** |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | 1.01 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | 4.78 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | - | - |

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.

## 43 Segment Reporting

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment are presented in these Standalone Financial Statements.

## 44 Related party transactions

### 44.1 List of related parties

**(I) Related parties where control exists**

**(a) Holding Company**

CA Harbor Investments

**(b) Subsidiaries**

**Wholly-owned subsidiaries:**

Alivira Animal Health Limited, India

SeQuent Research Limited

**Step down subsidiaries:**

Alivira Animal Health Limited, Ireland

Provet Veteriner Ürünleri San. Ve Tic. A. Ş.

Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.

Fendigo SA

Fendigo BV

N-Vet AB

Alivira Saude Animal Brasil Participacoes Ltda

Alivira Saude Animal Ltda.

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for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 44 Related party transactions (contd)

Vila Viña Participacions S.L.

Laboratorios Karizoo, S.A.

Laboratorios Karizoo, S.A. DE C.V. (Mexico)

Comercial Vila Veterinaria De Lleida S.L. (upto 16 June 2023)

Phytotherapic Solutions S.L

Alivira France S.A.S (liquidated on 24 March 2024)

Bremer Pharma GmbH

Expeden Distribuidora de Medicamentos Veterinarios Ltda (formerly known as Evanvet Distribuidora De Produtos Veterinarios Ltda)

Alivira Italia S.R.L.

Alivira Animal Health USA LLC

Alivira Animal Health UK Ltd

### (II) Other related parties with whom transactions have taken place during the year

#### (a) Key management personnel

Mr. Rajaram Narayanan,Chief Executive Officer & Managing Director

Mr. Sharat Narasapur, Joint Managing Director (till 30 April, 2024)

Mr. Vedprakash S Ragate, Whole-time Director (w.e.f 17 April, 2024)

Mr. P.V. Raghavendra Rao, Chief Financial Officer (till 25 October, 2023)

Mr. Saurav Bhala, Chief Financial Officer (w.e.f. 06 November, 2023)

Mr. Krunal Shah, Company Secretary (till 15 February, 2024)

Mr. Phillip Trott, Company Secretary (w.e.f. 16 February, 2024 till 16 December, 2024)

Mrs. Yoshita Susmit Vora, Company Secretary (w.e.f. 17 December, 2024)

Dr. Kamal K Sharma,Independent Director

Mr. Milind Sarwate, Independent Director

Mr. Neeraj Bharadwaj, Non-Executive Director

Mr. Gregory Andrews John, Non-Executive Director

Dr. Fabian Kausche, Non-Executive Director

Mr. Hari Babu Bodepudi, Non-Executive Director (w.e.f 07 August, 2023)

Dr. Kausalya Santhanam, Independent Director (till 27 October, 2024)

Ms. Revati Parag Kasture, Non-executive Independent Director (w.e.f. 17 December, 2024)

#### (b) Other entities in which holding company have control or significant influence/ entities with common directors:

Viyash Life Sciences Private Limited

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

All amounts are in ₹ million unless otherwise stated

## 44 Related party transactions (contd)

### 44.2 Transactions for the year

The following table provides transactions that have been entered into with related parties for the relevant financial year:

| | Wholly owned subsidiaries | | Step down subsidiaries | | Key management personnel | | Other entities in which holding company have control or significant influence/ entities with common directors | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 |
| **Sale of materials / services** | | | | | | | | |
| Alivira Animal Health Limited, India | 579.49 | 815.59 | - | - | - | - | - | - |
| **Sale of machinery / assets** | | | | | | | | |
| Alivira Animal Health Limited, India | - | 2.67 | - | - | - | - | - | - |
| **Interest and other income** | | | | | | | | |
| Alivira Animal Health Limited, India (*) | 376.07 | 340.87 | - | - | - | - | - | - |
| **Purchase of material** | | | | | | | | |
| Alivira Animal Health Limited, India | 106.15 | 14.30 | - | - | - | - | - | - |
| **Purchase of import license** | | | | | | | | |
| Alivira Animal Health Limited, India | - | 1.22 | - | - | - | - | - | - |
| **Purchase of machinery / assets** | | | | | | | | |
| SeQuent Research Limited | - | 2.52 | - | - | - | - | - | - |
| **Managerial remuneration (**) (excluding costs relating to post employment benefits)** | | | | | | | | |
| **Mr.Rajaram Narayanan (#)** | | | | | | | | |
| Short-term benefits | - | - | - | - | 21.46 | 31.18 | - | - |
| **Mr. P.V. Raghavendra Rao** | | | | | | | | |
| Short-term benefits | - | - | - | - | - | 7.80 | - | - |
| Termination benefits | - | - | - | - | - | 0.54 | - | - |
| **Total** | - | - | - | - | **-** | **8.34** | - | - |
| **Mr. Saurav Bhala (##)** | | | | | | | | |
| Short-term benefits | - | - | - | - | 15.36 | 6.52 | - | - |
| Share based payment (****) | - | - | - | - | 10.54 | - | - | - |
| | | | | | **25.90** | **6.52** | | |
| **Mr. Krunal Shah** | | | | | | | | |
| Short-term benefits | - | - | - | - | - | 1.87 | - | - |
| **Mr. Phillip Trott (#)** | | | | | | | | |
| Short-term benefits | - | - | - | - | 5.44 | 0.89 | - | - |
| **Mrs. Yoshita Vora (###)** | | | | | | | | |
| Short-term benefits | - | - | - | - | 0.91 | - | - | - |
| **Directors Sitting Fees** | | | | | | | | |
| Dr. Kausalya Santhanam | - | - | - | - | 1.30 | 0.90 | - | - |
| Dr. Kamal K Sharma | - | - | - | - | 2.40 | 2.00 | - | - |
| Mr. Milind Sarwate | - | - | - | - | 2.70 | 2.10 | - | - |
| Mr. Gregory Andrews John | - | - | - | - | 0.80 | 0.60 | - | - |
| Dr. Fabian Kauche | - | - | - | - | 0.70 | 0.50 | - | - |
| Mr. Hari Babu Bodepudi | - | - | - | - | 0.60 | 0.40 | - | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 44 Related party transactions (contd)

| | Wholly owned subsidiaries | | Step down subsidiaries | | Key management personnel | | Other entities in which holding company have control or significant influence/ entities with common directors | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 |
| Ms. Revati Kasture | - | - | - | - | 0.40 | - | - | - |
| **Directors Commission** | | | | | | | | |
| Dr. Kamal K Sharma | - | - | - | - | 1.00 | - | - | - |
| Mr. Milind Sarwate | - | - | - | - | 1.30 | - | - | - |
| Dr. Kausalya Santhanam | - | - | - | - | 0.30 | - | - | - |
| **Corporate cross charge income** | | | | | | | | |
| Alivira Animal Health Limited, India | 46.39 | 33.95 | - | - | - | - | - | - |
| SeQuent Research Limited | 1.30 | 4.50 | - | - | - | - | - | - |
| **Corporate cross charge Expenses** | | | | | | | | |
| Alivira Animal Health Limited, India | 39.69 | 43.50 | - | - | - | - | - | - |
| **Reimbursement of expenses From/ (To)** | | | | | | | | |
| Alivira Animal Health Limited, India | 0.40 | 0.66 | - | - | - | - | - | - |
| N VET AB | 0.80 | - | - | - | - | - | - | - |
| **Analytical charges** | | | | | | | | |
| SeQuent Research Limited | 9.26 | 7.16 | - | - | - | - | - | - |
| **Processing and conversion charges received** | | | | | | | | |
| Alivira Animal Health Limited, India | 76.49 | 102.60 | - | - | - | - | - | - |
| **Investment during the year** | | | | | | | | |
| Alivira Animal Health Limited, India (***) | 69.50 | 78.25 | - | - | - | - | - | - |
| **Rental Expense** | | | | | | | | |
| Viyash Life Sciences Private Limited | - | - | - | - | - | - | 0.10 | - |
| **Rental income** | | | | | | | | |
| Alivira Animal Health Limited, India | 10.85 | 10.46 | - | - | - | - | - | - |

(*) Interest income for the year is receivable as on the reporting date and has been included in the loan receivable amount

(**) Expenses towards gratuity and compensated absences provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

(***) On account of ESOP issued and lapsed to the employees of subsidiary company and guarantee given on behalf on subsidiary company (refer note 5.2)

(****) Represents the perquisite value of stock options exercised during the year and does not include the fair value of options granted (vested / unvested) but not exercised upto 31 March 2025.

(#) The managerial remuneration was recommended in the Nomination and Remuneration Committee meeting on 24 May, 2024, thereafer approved by the board of directors on August 14, 2024 and by the shareholders in AGM held on September 17, 2024.

(##) The managerial remuneration is recommended in the Nomination and Remuneration Committee (NRC) meeting on May 11, 2024 thereafer approved by the board of directors on May 15, 2024. Subsequently, NRC and Board approved revision in remuneration on 16 December, 2024.

(###) The managerial remuneration is recommended in the Nomination and Remuneration Committee and approved by the board of directors meeting held on 16 December, 2024.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 44 Related party transactions (contd)

| | Wholly owned subsidiaries | | Step down subsidiaries | | Key management personnel | | Other entities in which holding company have control or significant influence/ entities with common directors | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 | Year ended 31 March 2025 | Year ended 31 March 2024 |
| **Loans given to Company** | | | | | | | | |
| Alivira Animal Health Limited, India | - | 160.00 | - | - | - | - | - | - |
| **Loans repaid by the Company** | | | | | | | | |
| Alivira Animal Health Limited, India | 81.50 | - | - | - | - | - | - | - |
| **Commission income on corporate guarantee given for loan facility** | | | | | | | | |
| Alivira Animal Health Limited, India | 22.68 | 15.74 | - | - | - | - | - | - |
| Alivira Animal Health Limited, Ireland | - | - | 4.81 | - | - | - | - | - |
| SeQuent Research Limited | 0.04 | 0.36 | - | - | - | - | - | - |
| **Commission expense on corporate guarantee received for loan facility** | | | | | | | | |
| Alivira Animal Health Limited, India | 7.44 | 1.90 | - | - | - | - | - | - |
| **Additional / (reduction) of guarantee given during the year** | | | | | | | | |
| Alivira Animal Health Limited, India | (83.11) | 106.00 | - | - | - | - | - | - |
| SeQuent Research Limited | (100.00) | 100.00 | - | - | - | - | - | - |
| Alivira Animal Health Limited, Ireland | - | - | 2,481.86 | - | - | - | - | - |
| **ESOP given to employees of Subsidiary company** | | | | | | | | |
| Alivira Animal Health Limited, India | 136.73 | 92.80 | - | - | - | - | - | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 44 Related party transactions (contd)

### 44.3 Balance as at Balance Sheet date

| | Wholly owned subsidiaries | | Step down subsidiaries | | Key management personnel | | Other entities in which holding company have control or significant influence/ entities with common directors | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| **Trade receivables** | | | | | | | | |
| SeQuent Research Limited | - | 0.45 | - | - | - | - | - | - |
| Alivira Animal Health Limited, India | 492.84 | 208.19 | - | - | - | - | - | - |
| **Other current financial assets** | | | | | | | | |
| Alivira Animal Health Limited, Ireland | - | - | 1.34 | - | - | - | - | - |
| N VET AB | - | - | 0.80 | - | - | - | - | - |
| **Other current financial liabilities** | | | | | | | | |
| N VET AB | - | - | 7.50 | - | - | - | - | - |
| **Loans receivable** | | | | | | | | |
| Alivira Animal Health Limited, India | 3,949.43 | 3,692.47 | - | - | - | - | - | - |
| **Trade payables** | | | | | | | | |
| SeQuent Research Limited | 2.52 | - | - | - | - | - | - | - |
| Viyash Life Sciences Private Limited | - | - | - | - | - | - | 0.02 | - |
| **Corporate Guarantee given to lender for loan facility** | | | | | | | | |
| Alivira Animal Health Limited, India | 2,650.00 | 2,733.11 | - | - | - | - | - | - |
| SeQuent Research Limited | - | 100.00 | - | - | - | - | - | - |
| Alivira Animal Health Limited, Ireland | - | - | 2,481.86 | - | | | | |
| **Corporate Guarantee received for loan facility** | | | | | | | | |
| Alivira Animal Health Limited, India | 380.00 | 380.00 | - | - | - | - | - | - |
| **Directors Commission payable** | | | | | | | | |
| Dr. Kamal K Sharma | - | - | - | - | 0.90 | - | - | - |
| Mr. Milind Sarwate | - | - | - | - | 1.17 | - | - | - |
| Dr. Kausalya Santhanam | - | - | - | - | 0.27 | - | - | - |
| **Share Capital held by holding Company** | | | | | | | | |
| CA Harbor Investments | - | - | - | - | - | - | 263.36 | 263.36 |
| **Investment in Subsidiaries** | | | | | | | | |
| Alivira Animal Health Limited, India | 6,330.33 | 6,260.83 | - | - | - | - | - | - |
| SeQuent Research Limited | 142.09 | 142.09 | - | - | - | - | - | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 45 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), as approved by the Shareholders of the Company on 24 May 2010 and it was further modified by the member on 24 September 2015. Further the company has implemented "SeQuent Scientific Employees Stock Option Plan 2020" (SeQuent ESOP 2020) as approved by shareholders on 17 January 2021.

Employees Stock Option Plan:

| Grant Date | No. of Options | Vesting conditions | Contractual life of the options vesting period |
|---|---|---|---|
| 30 May 2013 (*) | 27,00,000 | The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme. | 5 years |
| 12 February 2014 (*) | 5,00,000 | | |
| 28 May 2014 (*) | 9,00,000 | | |
| 12 November 2014 (*) | 10,00,000 | | |
| 11 January 2016 (*) | 5,00,000 | | |
| 14 May 2016 | 3,45,000 | | |
| 23 May 2017 | 50,000 | | |
| 02 November 2018 | 26,60,000 | | |
| 03 July 2019 | 11,35,000 | | |
| 21 September 2020 (#) | 1,11,600 | Option granted would vest over a maximum period of 1 year from the date of the grant | 2 years |
| 01 March 2021 | 73,50,000 | The options granted would normally vest over a maximum period of 3 to 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme. | 6 years |
| 22 February 2022 | 10,00,000 | | |
| 11 April 2022 # | 71,00,000 | | |
| 25 July 2022 | 5,00,000 | | |
| 10 May 2023 # | 34,50,000 | | |
| 06 Nov 2023 | 5,00,000 | | |
| 06 Sep 2024 | 53,05,000 | | |

# the vesting period was modified from 3 to 5 years on 06 September 2024

* Pursuant to sub-division of 1 equity share of ₹10 each into 5 equity shares of ₹ 2 each on 26 February 2016, the no. of options have been adjusted proportionately.

The expense on Employee Stock Option plan debited to the standalone statement of profit and loss during 2024-25 is ₹ 105.09 (31 March 2024: ₹ 74.21) Net of recoveries of ₹ 218.96 (31 March 2024 : ₹ 148.59 ) from its subsidiary company towards the stock options granted to subsidiary employees, pursuant to the employee stock option schemes. The entire amount pertains to equity-settled employee share-based payment plans. The share option outstanding as on 31 March 2025 is ₹ 968.87 (31 March 2024 : ₹ 773.08).

### B. Measurement of fair values

#### Fair value of share options granted in the year

The weighted average fair value of the share options granted on 06 Sep 2024 ranges from ₹ 107.67 to ₹ 124.17 (10 May 2023 ranges from ₹ 25.81 to ₹ 45.00 and granted on 06 Nov 2023 ranges from ₹ 42.39 to ₹ 59.24) 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 if any, were not taken into account in measuring fair value.

| Inputs into the model | 31 March 2025 | 31 March 2025 | 31 March 2024 | 31 March 2024 |
|---|---|---|---|---|
| Grant date | 06 Sep 2024 | 06 Sep 2024 | 06 Nov 2023 | 10 May 2023 |
| Grant date share price | 173.66 | 173.66 | 100.80 | 78.05 |
| Exercise price | 86.00 | 86.00 | 86.00 | 86.00 |
| Expected volatility | 42.45% to 43.38% | 42.45% to 43.47% | 43.12% to 43.61% | 43.10% to 44.95% |
| Option life | 3 to 6 years | 3 to 5 years | 4 to 8 years | 4 to 10 years |
| Dividend yield | - | - | 0.50 | 0.50 |
| Risk-free interest rate | 6.85% to 6.93% | 6.85% to 6.87% | 7.38% to 7.46% | 7.09% to 7.23% |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 45 Share-based payment arrangements (Contd.)

**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 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | 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 | 1,30,97,500 | 86.00 | 1,09,72,500 | 85.41 |
| Granted during the year | 53,05,000 | 86.00 | 39,50,000 | 86.00 |
| Cancelled during the year | 17,00,000 | 86.00 | - | - |
| Exercised during the year | 8,68,500 | 86.00 | - | - |
| Forfeited during the year | 6,20,000 | 86.00 | 18,25,000 | 84.87 |
| Options outstanding at the end of the year | **1,52,14,000** | **86.00** | **1,30,97,500** | **86.00** |

**D. Share options outstanding at the end of the year**

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 86.00 (as at 31 March 2024 : ₹ 86.00) and weighted average remaining contractual life of years 4.97 (31 March 2024: 6.37 years).

## 46 Lease Accounting

The Company has lease contracts for office building and warehouses taken on rent which generally have lease term of 2 to 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

**(i) Refer note 3.b for movement of ROU assets.**

**(ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:**

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Balance as on 01 April** | 3.10 | 11.75 |
| Additions | 21.66 | 0.71 |
| Accretion of interest | 1.40 | 0.61 |
| Payments | (9.64) | (9.97) |
| **Closing Balance** | **16.52** | **3.10** |
| Current | 8.41 | 3.10 |
| Non-current | 8.11 | - |
| The effective interest rate for lease liabilities is between 9.80% to 10.10%, with maturity between 2026-28. | | |

**(iii) Impact on statement of profit and loss (decrease in profit before tax for the year)**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Depreciation expense of right-of-use assets (Refer note 35) | 9.47 | 9.50 |
| Finance costs (Refer note 34) | 1.40 | 0.61 |
| **Net decrease in profit for the year** | **10.87** | **10.11** |

**(iv) Maturity Analysis of Lease (Refer Note 49.4)**

**(v) Impact on the statement of cash flows increase / (decrease)**

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Payment of principal portion of lease liabilities | (8.24) | (9.36) |
| Payment of interest portion of lease liabilities | (1.40) | (0.61) |
| | **(9.64)** | **(9.97)** |

**(vi)** The Company uses the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low-value assets. ₹ 5.39 (31 March 2024 : ₹ 1.31) relates to short-term leases and low value leases which are recognised as expense in profit or loss.

All amounts are in ₹ million unless otherwise stated

## 47 Ratio Analysis

| Sr. No. | Ratios | Numerator | Denominator | 31 March 2025 | 31 March 2024 | % of Variance | Remarks |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.42 | 0.99 | 44.34% | Refer Note 1 |
| 2 | Debt-Equity Ratio | Total Debts | Shareholder's Equity | 0.04 | 0.04 | (9%) | - |
| 3 | Debt Service Coverage Ratio (DSCR) | Profit after tax + Depreciation + Interest + other non cash operating expenses | Debt Service | 6.07 | 2.76 | 120% | Refer Note 2 |
| 4 | Return on Equity Ratio | Net Profits after taxes | Average Shareholder's Equity | 1.42% | 0.06% | 2291% | Refer Note 3 |
| 5 | Inventory turnover ratio | Net Credit Sales | Average Inventory | 5.98 | 4.09 | 46% | Refer Note 4 |
| 6 | Trade Receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | 3.13 | 5.77 | (46%) | Refer Note 5 |
| 7 | Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 3.20 | 2.57 | 24% | - |
| 8 | Net working capital turnover ratio | Sale of products | Working Capital | 5.58 | -122.03 | (105%) | Refer Note 6 |
| 9 | Net profit ratio | Profit after Tax | Net Sales | 8.86% | 0.37% | 2300% | Refer Note 7 |
| 10 | Return on Capital employed | Earning before interest and taxes (EBIT) | Tangible Net Worth+Total Debt+ Deferred Tax liability | 2.21% | 0.37% | 501% | Refer Note 8 |
| 11 | Return on investment | Interest income | Average investments | 10.18% | 10.57% | (4%) | - |

**Notes:**

1 Due to increase in trade receivables and decrease in trade payables during the year.

2 There is increase in profit during the current year as compared to previous year.

3 There is increase in profit during the current year as compared to previous year.

4 Decrease in average inventories during the current year.

5 Increase in average account receivables during the year.

6 Increase in working capital during the current year.

7 There is increase in profit during the current year as compared to previous year.

8 Increase in EBIT during the current year.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

## 48 Transactions with Struck off companies

**a)** There are no transactions with Struck off Companies during the year ended 31 March 2025.

**b)** Transaction with Struck off companies as on 31 March 2024

| Name of struck off Company | Nature of transactions with struck off Company | Balance outstanding as on 31 March 2024 | Relationship with the Struck off company |
|---|---|---|---|
| Taneesh Travel And Tours Private Limited (OPC) | Employee Travel expenses | - | Vendor |

## 49 Financial instruments

The carrying value and fair value of financial instruments by categories are as follows:

| | Carrying value and fair value | |
|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 |
| **Financial assets** | | |
| **Measured at amortised cost** | | |
| Investment in subsidiaries | 6,472.42 | 6,402.92 |
| Trade receivables | 689.31 | 447.90 |
| Cash and cash equivalents | 0.30 | 9.26 |
| Other bank balances | 3.79 | 0.29 |
| Loans | 3,949.87 | 3,692.87 |
| Other financial assets | 41.42 | 41.31 |
| **Measured at fair value through other comprehensive income (FVTOCI)** | | |
| Investment in equity instruments (Quoted) | 0.68 | 1.13 |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| Other investments | 0.05 | 0.05 |
| **Total** | **11,157.84** | **10,595.73** |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| Borrowings | 443.80 | 464.55 |
| Lease liabilities | 16.52 | 3.10 |
| Trade payables | 229.32 | 371.36 |
| Other financial liabilities | 47.96 | 31.10 |
| **Total** | **737.60** | **870.11** |

### 49.1 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).

All amounts are in ₹ million unless otherwise stated

## 49 Financial instruments (Contd)

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 2025 and 31 March 2024:**

| Particulars | Fair value measurement using | | | | |
|---|---|---|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets designated at fair value through other comprehensive income (note 5 and 12):** | | | | | |
| Investment in equity instruments (Quoted) | 31 March 2025 | 0.68 | 0.68 | - | - |
| Investment in equity instruments (Quoted) | 31 March 2024 | 1.13 | 1.13 | - | - |

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**Notes:**

(i) Refer note 2.4(xviii) under Material accounting policies for recognition and measurement of financial assets.

(ii) The fair value of the investments in equity is based on the quoted price.

(iii) Price risk- The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

### 49.2 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and deposits that are derived 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 standalone 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**49.2 Financial risk management objectives and policies (Contd)**

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 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.

**49.3 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, 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 Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months:

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Outstanding for more than 6 months | - | 6.37 |
| Others | 689.31 | 441.53 |
| | **689.31** | **447.90** |

- The Company continuously monitors defaults of customers and other counterparties identified and incorporates this information into its credit risk controls.

- 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 for export customers.

- The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

**Information about major customer**

Revenue from single external customer group is approximately ₹ 283.28 (31 March 2024: ₹ 202.23) representing 17% (31 March 2024: 13%) of Company's total revenue from business for the year ended 31 March 2025 and total exposure in receivables is 3% for the year ended 31 March 2025 (31 March 2024: 20%). Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the company. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on. These financial guarantees have been issued to banks and other parties with whom loan agreements have been entered by the subsidiary (refer note 44.3 for details of outstanding financial guarantees).

All amounts are in ₹ million unless otherwise stated

**49.4 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 on a regular basis by the treasury function within the Company. 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 funds 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 2025 and 31 March 2024:

| Particulars | As at 31 March 2025 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2 years and above | Total |
| Borrowings | 443.80 | - | - | 443.80 |
| Trade payables | 229.32 | - | - | 229.32 |
| Other financial liabilities | 47.96 | - | - | 47.96 |
| Lease liabilities | 8.41 | 6.26 | 1.85 | 16.52 |
| **Total** | **729.49** | **6.26** | **1.85** | **737.60** |
| Financial guarantee (refer note 44.3) | | | | 5,131.86 |

| | As at 31 March 2024 | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2 years and above | Total |
| Borrowings | 464.55 | - | - | 464.55 |
| Trade payables | 371.36 | - | - | 371.36 |
| Other financial liabilities | 31.10 | - | - | 31.10 |
| Lease liabilities | 3.10 | - | - | 3.10 |
| **Total** | **870.11** | **-** | **-** | **870.11** |
| Financial guarantee (refer note 44.3) | | | | 2,833.11 |

**49.5 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. Considering the country and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rate in those countries. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

**49.5 Market risk (Contd.)**

**Foreign currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

a) Foreign currency risk from financial instruments are given below:

| Foreign currency | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Receivable / (payable) | Receivable / (payable) in foreign currency | Receivable / (payable) | Receivable / (payable) in foreign currency |
| USD | 99.88 | 1.17 | 43.07 | 0.52 |
| USD | (15.71) | (0.18) | (28.79) | (0.35) |
| JPY | - | - | (0.50) | (0.91) |
| EURO | (0.01) | (0.00) | (0.23) | (0.00) |
| **Net Exposure** | **84.16** | | **13.55** | |

b) Foreign currency sensitivity analysis

The Company is mainly exposed to currency fluctuation of USD.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 10% change in foreign currency rates. A positive numbers below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

| | Impact on profit or loss and total equity | |
|---|---|---|
| | 31 March 2025 | 31 March 2024 |
| **10% decrease in foreign currency** | | |
| Currency of U.S.A (USD) | (8.42) | (1.43) |
| Others | 0.00 | 0.07 |
| **10% increase in foreign currency** | | |
| Currency of U.S.A (USD) | 8.42 | 1.43 |
| Others | (0.00) | (0.07) |

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.

**49.6 Financial instrument - Risk exposure and fair value**

Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments are as follows:

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial assets | | |
| -Deposits with banks having Original maturity more than 3 months but less than 12 months | 3.50 | - |
| -Margin money deposit | 0.14 | 0.12 |
| **Total** | **3.64** | **0.12** |

All amounts are in ₹ million unless otherwise stated

**49.6 Financial instrument - Risk exposure and fair value (Contd.)**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| **Variable-rate instruments** | | |
| Financial assets | | |
| -Loans to subsidiary | 3,949.43 | 3,692.47 |
| | **3,949.43** | **3,692.47** |
| **Variable-rate instruments** | | |
| Financial liabilities | | |
| -Borrowings from bank | 443.80 | 464.55 |
| **Total** | **443.80** | **464.55** |

**Interest rate 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.

| Effect | Profit and loss | |
|---|---|---|
| | 100 bps increase | 100 bps decrease |
| **31 March 2025** | | |
| Variable-rate instruments | (35.06) | 35.06 |
| | **(35.06)** | **35.06** |
| **31 March 2024** | | |
| Variable-rate instruments | (32.28) | 32.28 |
| | **(32.28)** | **32.28** |

## 50 Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings less cash and cash equivalents

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31 March 2025, there is no breach of covenant attached to the borrowings.

The Company manages its capital to ensure that Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (offset by cash and bank balances) and total equity of the Company.

**The Company's Gearing Ratio at end of the year is as follow.**

| Particulars | 31 March 2025 | 31 March 2024 |
|---|---|---|
| (i) Borrowings (refer note (i) below) | 443.80 | 464.55 |
| (ii) Cash and cash equivalents | 0.30 | 9.26 |
| (iii) Other bank balance (refer note (ii) below) | 3.64 | 0.12 |
| (iv) Current investment | 0.68 | 1.13 |
| **Net debt [ (i) - { (ii)+(iii)+(iv) } ]** | **439.18** | **454.04** |
| **Total equity** | **11,426.54** | **10,872.28** |
| **Gearing ratio (Refer note (iii) below)** | **3.84%** | **4.18%** |

# Notes to the Standalone Financial Statements

for the year ended 31 March 2025

All amounts are in ₹ million unless otherwise stated

(i) Debt is defined as long-term (including current maturity of long term borrowings excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Total Equity.

## 51 Corporate Social Responsibility Expenses (CSR)

The Company has incurred below expenses towards CSR activities as per section 135 of the Companies Act, 2013 and is included in other expenses.

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | - | 2.86 |
| (ii) Amount of expenditure incurred | - | 2.86 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Total CSR Expenditure | - | 2.86 |
| (vi) Nature of CSR activities | Promoting heathcare, promoting education, rural development projects etc. | |
| **Total** | - | - |

**Note:**

The provisions of Section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR) are applicable to the Company. Basis the assessment of spend criteria as defined in the section, the Company is not required to spend on CSR for the current year considering the average net loss incurred in preceding three years.

**52** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transaction Prohinition Act, 1988 and rules made thereunder.

**53** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**54** The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period.

**55** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**57** The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

**58** The Company has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013

**59** The quarterly returns or statements of current assets filed by the Company (including revised returns or statements) with banks or financial institutions are in agreement with the books of accounts.

**60** A. During the year ended 31 March 2025, the Company has not advanced or loaned or invested funds to any other persons or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

All amounts are in ₹ million unless otherwise stated

B. During the year ended 31 March 2025, the Company has not received any fund from any persons or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**61** The Company has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made, if any, using privileged / administrative access rights to the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of these software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

**62** With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company has maintained the books of account which are accessible in India at all times and their backup is kept on servers located in India on a daily basis, except that backup was not performed on June 19, 2024.

**63** The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt this new and amended standard, when it become effective.

Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

**64** The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

**65** The standalone financial statements were approved for issue by the board of directors on 20 May 2025.

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Thane, 20 May 2025

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

**Rajaram Narayanan**
Managing Director &
Chief Executive Officer
DIN:02977405

**Vedprakash Ragate**
Whole-time Director
DIN:10578409

**Saurav Bhala**
Chief Financial Officer

**Yoshita Vora**
Company Secretary
Membership No: A-22220

**SeQuent Scientific Limited**
Regd. Office: 3rd Floor, Srivalli's Corporate, Plot No. 290, SYN 33 34P TO 39, Guttala Begumpet, Jubilee Hills, Hyderabad - 500033, Telangana, India.
**Tel No.:** 91 9391139986 / 22-4111 4777 | **CIN:** L99999TS1985PLC196357
**Website:** www.sequent.in | **Email:** investorrelations@sequent.in

# NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting ('AGM') of the Members of SeQuent Scientific Limited (the '**Company**') will be held on, Friday, August 8, 2025, at 4:00 P.M. (IST) through Video Conferencing ('**VC**') / Other Audio-Visual Means ('**OAVM**') to transact the following businesses:

## Ordinary Business:

**Item No. 1: Adoption of Audited Financial Statements for the Financial Year ended March 31, 2025**
To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025, together with the reports of Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025, and the report of the Auditors thereon.

**Item No. 2: Appointment of Director**
To re-appoint Mr. Rajaram Narayanan (DIN: 02977405), Managing Director and Chief Executive Officer who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3: Appointment of Director**
To re-appoint Mr. Neeraj Bharadwaj (DIN: 01314963), Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business:

**Item No. 4: Ratification of Remuneration payable to the Cost Auditor for the Financial Year 2025-2026**
To consider and if thought fit, to pass, 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 read with Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit) Rules, 2014 (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 remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand only) plus applicable tax and re-imbursement of out-of-pocket expenses payable to M/s. Joshi Apte & Associates, Practicing Cost Accountants, (Firm Registration Number: 000240) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above Resolution."

**Item No.5: Appointment of M/s BMP & Co. LLP, Practicing Company Secretaries, as the Secretarial Auditor of the Company for a term of five consecutive years from the Financial Year 2025-26 to the Financial Year 2029-30**
To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s BMP & Co. LLP , Practicing Company Secretaries (Firm Registration Number: L2017KR003200) be and are hereby appointed as Secretarial Auditors of the Company, for a term of five (5) consecutive years, to hold office of the Secretarial Auditor for the Financial Year 2025-26 up to Financial Year 2029-30, on such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors, from time to time.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

**Item No.6: Payment of commission to Non-Executive Directors (including Independent Directors) of the Company**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the rules made thereunder read with Schedule V of the Act (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(a) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') or any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, the approval of the members of the Company be and is hereby accorded to pay remuneration by way of commission to Non-Executive Directors (including Independent Directors) notwithstanding the profits / absence of profits / inadequacy of profits in the Company within the limit specified in Part II, Section II, item (A) of Schedule V of the Act and such commission be paid to the said Non-Executive Directors (including Independent Directors) of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors of the Company for a period of three Financial Years i.e. FY 2025-26 to FY 2027-28 or such other time period as may be permitted under the Act.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to sitting fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the any of the Directors or any Committee thereof be and is hereby authorized to take all such steps as may be necessary for obtaining any approvals, statutory, contractual or otherwise, in relation to the above, and to do all the acts, deeds, matters and things which are necessary, proper, expedient and incidental for giving effect to this resolution."

**Item No.7: Approval for remuneration payable to Mr. Rajaram Narayanan (DIN: 02977405), Managing Director and Chief Executive Officer of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in furtherance to the approval by the Members through postal ballot on April 9, 2022, the Thirty Ninth Annual General Meeting of the Company and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended, and provisions of Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, consent of the Members of the Company be and is hereby accorded for the payment of remuneration to Mr. Rajaram Narayanan, Managing Director & CEO of the Company for the period starting from April 1, 2025 to April 10, 2027 along with perquisites as mentioned in the explanatory statement.

**RESOLVED FURTHER THAT** in case of inadequacy of profits, such remuneration comprising salary, perquisites and benefits, as approved hereinabove, be paid as minimum remuneration in accordance with Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** the any of the Directors or any Committee thereof be and is hereby authorized to take all such steps as may be necessary for obtaining any approvals, statutory, contractual or otherwise, in relation to the above, and to do all the acts, deeds, matters and things which are necessary, proper, expedient and incidental for giving effect to this resolution."

**Item No.8: Re-appointment of Dr. Kamal Sharma (DIN: 00209430) as an Independent Director for a second term of five consecutive years from August 25, 2025 to August 24, 2030**

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Regulations 17(1A), 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Dr. Kamal Sharma (DIN: 00209430), who holds office of Independent Director up to August 24, 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying intention to propose his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years from August 25, 2025 to August 24, 2030, notwithstanding that Dr. Kamal Sharma had attained the age of seventy-five years during his first term as an Independent Director.

**RESOLVED FURTHER THAT** any of the Directors, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

**Item No.9: Re-appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director for a second term of five consecutive years from August 25, 2025 to August 24, 2030**

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Milind Sarwate (DIN: 00109854), who holds office of Independent Director up to August 24, 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying intention to propose his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years from August 25, 2025 to August 24, 2030.

**RESOLVED FURTHER THAT** any of the Directors, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

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

**Yoshita Vora**
Company Secretary & Compliance Officer
Membership No.: ACS 22220

Date: July 13, 2025
Place: Thane

**NOTES:**

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI along with other circulars issued by MCA and SEBI from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations) the explanatory statement in relation to Item No. 4, Item No. 5, Item No. 6, Item No. 7, Item No. 8 and Item No. 9 of the Notice, forms part of this Notice.

3. The other details pursuant to provisions of Secretarial Standard 2 ("SS 2") on General Meeting Issued by the Institute of Company Secretaries of India and the Listing Regulations, forms part of this Notice and enclosed as **Annexure A and B.**

4. In line with the Circulars, the notice of the 40$^{th}$ AGM along with the Annual Report 2024-25 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Additionally, a letter providing the web-link, including the exact path, where complete details of the Annual Report is available is being sent to those Members who have not registered their email ID. Members may please note that the Notice and Annual Report 2024-25 will also be available on the Company's website at Investor Contacts - SeQuent and on the websites of the Stock Exchanges i.e. BSE Limited and NSE at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL, https://www.evoting.nsdl.com

5. **Pursuant to the provisions of the Act, a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the Circulars, physical attendance of the Members has been dispensed with. Accordingly, in terms of the Circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this notice.**

   Since the AGM will be held through VC/OAVM, the route map of the venue for the Meeting is not annexed hereto.

6. The Register of Directors and Key Managerial Personnel, their Shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, certificate from the secretarial auditor of the Company under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 along with other documents as stated in the Notice of AGM will be available for inspection in electronic mode by the Members during the AGM without any fee from the date of circulation of this Notice up to the date of AGM during business hours i.e. from 9:00 am to 5:00 pm.

   Members seeking to inspect such documents can send an e-mail to investorrelations@sequent.in

7. Members desirous of obtaining any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before August 3, 2025 through an e-mail to investorrelations@sequent.in specifying his/her name along with Client ID/ DP ID or Folio No., as the case may be and the replies to these queries may be given by the Chairman/ Managing Director during the course of AGM or subsequently via e-mail.

8. **KYC Updation**

   As per the SEBI Circular, the Company/ RTA can entertain a shareholder's service request only upon completion of the KYC viz., PAN, contact details, bank account details and specimen signature. The service requests are required to be submitted in the format prescribed by the SEBI

   Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.

   Non-Resident Indian Members are requested to inform RTA/ respective Depository Participants,

   immediately of any:

   a) Change in their residential status on return to India for permanent settlement.

   b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

As per Listing Regulations, SEBI has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar and Transfer Agent of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

**9. Procedure for e-voting and joining AGM through VC/OAVM**

In compliance with the provisions of Section 108 of the Act read with relevant rules, SS-2, Regulation 44 of the Listing Regulations and Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through National Securities Depository Limited (NSDL).

General instructions for accessing and participating in the AGM through VC/OAVM Facility and voting through electronic means including remote e-voting is annexed hereto as **Annexure-C**.

**10. Scrutinizer for the AGM**

The Company has appointed SGGS & Associates, Practicing Company Secretaries, represented by Mr. Gaurav Sainani (having Membership No. A36600 and COP No. 24482) or failing him Mr. Sunny Gogiya (having Membership No. A56804 and COP No. 21563) to scrutinize the remote e-voting process and e-voting done through VC at the AGM in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman or the Company Secretary after completion of the scrutiny.

Results of the Meeting along with the Scrutinizers Report shall be declared by the Chairman or the Company Secretary within the timeline prescribed under the Listing Regulations and shall be displayed on the Company's website, besides being communicated to the Stock Exchanges, Depositories and Registrar and Transfer Agent.

**11. Email Address Registration/Updating**

Those Members who have not yet registered or updated their email addresses are requested to register or update their email addresses by following the procedure given below for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company:

- Members holding shares in Demat form may temporarily register their e-mail addresses with the RTA at einward.ris@kfintech.com or Company at investorrelations@sequent.in by providing details such as Name, DPID/Client ID, PAN, mobile number and e-mail ID. It is clarified that for permanent registration of e-mail address; the Members are requested to register the same with their respective Depository Participant.
- Members holding shares in physical form, are requested to register or update their email addresses by submitting physical copy of Form ISR-1 to the RTA at below mentioned address along with the scanned copy of Form ISR-1 to RTA at einward.ris@kfintech.com and the Company at investorrelations@sequent.in:

  KFin Technologies Limited
  (formerly known as KFin Technologies Private Limited)
  Address : Selenium Building, Tower-B,
  Plot No 31 & 32,Financial District,
  Nanakramguda, Serilingampally,
  Hyderabad, Rangareddy, Telangana, India - 500 032.
  Email ID: einward.ris@kfintech.com
  Toll Free / Phone Number: 1800 309 4001

ISR-1 Form can be downloaded from the web link: https://sequent.in/wp-content/pdf/downloads/Form%20ISR-1_p.pdf

12. **KPRISM from KFintech, RTA**

Members are requested to note that, our Registrar and Share Transfer Agents (KFintech/ RTA) have launched a mobile application - KPRISM and a website https://kprism.kfintech.com/ for our investors. Now you can download the mobile app and see your portfolios serviced by KFintech.

Check Dividend status, request for annual reports, change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 ('Act'), Secretarial Standard 2 and Listing Regulations the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4, Item No. 5, Item No. 6, Item No. 7, Item No. 8 and Item No. 9 of the accompanying notice:

**Item No. 4: Ratification of Remuneration payable to the Cost Auditor for the Financial Year 2025-2026**

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 is required to appoint a Cost Auditor for the financial year 2025-26 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 20, 2025, appointed M/s. Joshi Apte & Associates, Practicing Cost Accountant, (Firm Registration Number: 000240) as Cost Auditor for the Financial Year 2025-2026 on a remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) per annum 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 by way of Ordinary Resolution for ratification of remuneration to M/s. Joshi Apte & Associates, Practicing Cost Accountant, for the Financial Year 2025-26.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way, concerned or interested (financially or otherwise) in the proposed Ordinary Resolution.

The Board recommends the **Ordinary Resolution** as set out in **Item No. 4** for approval by the Members.

**Item No. 5: Appointment of Secretarial Auditors**

In accordance with Section 204 of the Companies Act 2013, read with the Rules framed thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of five consecutive years.

Based on the recommendation of the Audit Committee, the Board of Directors, at its Meeting held on May 20, 2025, subject to the approval of the Members of the Company, approved appointment of M/s. BMP & Co LLP, Company Secretaries (Firm Registration Number:L2017KR003200) as the Secretarial Auditors of the Company, for a term of five (5) consecutive years, to hold office of the Secretarial Auditor from the Financial Year 2025-26 up to Financial Year 2029-30. M/s. BMP & Co LLP is a firm of Practicing Company Secretaries having Two decades of rich experience in Listed companies, Mergers and amalgamation, Company Law and SEBI Regulations., FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits for various reputed companies. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

M/s. BMP & Co LLP had consented to their appointment as the Secretarial Auditors of the Company and have confirmed that they fulfil the criteria as specified in Clause (a) of regulation 24A (1A) of the Listing Regulations and have not incurred any of disqualifications as specified by the Securities and Exchange Board of India. The proposed remuneration to be paid to M/s. BMP & Co LLP, for the financial year 2025-26 is ₹3,00,000/- (Rupees Three Lakh Only) plus out of pocket expenses and applicable taxes.

There is no material change in the fees payable to M/s. BMP & Co LLP from that paid to the previous Secretarial Auditor. Accordingly, consent of the Members is sought for approval of the aforesaid appointment of the Secretarial Auditors.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the **Ordinary Resolution** as set out in **Item No. 5** for approval by the Members.

**Item No.6: Payment of commission to Non-Executive Directors (including Independent Directors) of the Company**

The Members of the Company, through postal ballot on January 17, 2021, approved payment of commission to Non-Executive Directors (including Independent Directors) of the Company, up to 2% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013 (the 'Act'), with effect from FY 2020-21 onwards. The Board of Directors was also authorized to determine the criteria for such payments.

Members may note that a Scheme of Amalgamation is currently in progress involving Sequent Scientific Limited, Symed Labs Limited, Vandana Life Sciences Private Limited, Appcure Labs Private Limited, Vindhya Pharma (India) Private Limited, S.V. Labs Private Limited, Vindhya Organics Private Limited, Viyash Life Sciences Private Limited, Geninn Life Sciences Private Limited and Sequent Research Limited, and their respective shareholders and creditors ("Scheme"). As a part of its implementation strategy, the Company will need to integrate the systems, resources, personnel, finances, operations, culture etc. for the combined entities once the Scheme is effective. In this regard, the Board of Directors will play a pivotal role in providing its expert opinion and guidance in the successful implementation of the said strategy.

The Non-Executive Directors (including Independent Directors) bring extensive professional experience and expertise in areas such as strategic leadership, technology, industry knowledge, financial and risk management, governance, international business, public policy, and social impact. In view of the value they add to the Board through their strategic guidance, oversight, and significant time commitment required at combined entity level, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and subject to shareholder approval, have approved the payment of remuneration to Non-Executive Directors (including Independent Directors) basis the limits specified against effective capital as per Section 197 of the Companies Act, 2013 read with Section II of Part II, Item A of Schedule V.

Section 197 read with Section II of Part II, Item A of Schedule V the Act, and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') mandates shareholder approval by way of Ordinary Resolution for such payments.

The members may note that such remuneration shall not exceed the limits prescribed under Part II, Section II, Item A of Schedule V of the Act for a period of three financial years from FY 2025-26 to FY 2027-28 (or any such other period as may be permitted under the Act). This remuneration will be in addition to sitting fees for attending Board and Committee meetings. Such fees shall be paid, in case of the inadequacy of profits as minimum remuneration in such proportion as the Board may think fit. Members may further note that in case of adequate profits, remuneration as approved by the shareholders through postal ballot on January 17, 2021, may be paid subject to applicable laws.

The information required to be disclosed under paragraph (iv) of the second proviso after item B of Section II of Part II of Schedule V to the Act read with Secretarial Standard 2 on General Meeting issued by issued by the Institute of Company Secretaries of India is given in the **Annexure-A and B** to this Notice. The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

None of the Directors, Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholdings in the Company, if any in the resolution as set out in Item no. 6 of the Notice.

Non-Executive Directors (including Independent Directors) of the Company, shall be deemed to be concerned or interested in resolution set out at Item no. 6 of the Notice to the extent of the remuneration that may be received by them in future.

The Board of Directors recommends the **Ordinary Resolution** set out at **Item no. 6** of the Notice for approval by the members.

**Item No. 7: Approval for remuneration payable to Mr. Rajaram Narayanan (DIN: 02977405), Managing Director and Chief Executive Officer of the Company**

Mr. Rajaram Narayanan, Managing Director and Chief Executive Officer (CEO) was appointed w.e.f. April 11, 2022. Considering the requirements of Section 197 read with Schedule V of the Companies Act, 2013, his remuneration was approved for only 3 years.

The members are informed that considering the performance of the Company, the Managing Director's contribution towards the growth, his increasing responsibilities and trend in the industry, and as per the Policy on the Director's Appointment and Remuneration, the Board of Directors of the Company at its meeting held on May 20, 2025, had pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, approved the remuneration payable to Mr. Rajaram Narayanan, the Managing Director of the Company for period starting from April 1, 2025 to April 10, 2027 as detailed below:

| Sr. No. | Particulars | Amount* |
|---|---|---|
| 1 | Basic Salary (1) | In the range of ₹1,40,00,000p.a. to ₹ 2,00,00,000 p.a. |
| 2 | Other allowances (2) | In the range of ₹ 1,60,00,000 p.a. to ₹ 2,50,00,000 p.a. |
| 3 | Fixed remuneration (1+2) | In the range of ₹ 3,00,00,000 p.a. to ₹ 4,50,00,000 p.a. |
| 4 | Variable pay (Performance bonus) | Currently 40% of Fixed remuneration at target and subject to approvals from Nomination and Remuneration Committee and the Board of Directors. |
| 6 | Total remuneration (Fixed + Variable) | In the range of ₹ 4,20,00,000 p.a. to ₹ 6,30,00,000 p.a. |
| 5 | Retirals | As per Company's policy |
| 6 | Other benefits (Company car for business use, Housing/ HRA, Leave encashment, Insurance Medical, Reimbursements etc.) | As per Company's policy |
| 7. | Employee Stock Option scheme | As per company policy and subject to approvals from Nomination and Remuneration Committee and the Board of Directors. |

* includes remuneration to be paid from Alivira Animal Health Limited ("AAHL"), wholly owned subsidiary of the Company

The Board of Directors shall fix annual remuneration of the Managing Director within the above scale based on the recommendation of the Nomination and Remuneration Committee.

The above remuneration shall be paid from the Company and AAHL in the proportion as may be mutually decided by the Company and AAHL and approved by the Board. The proportionate annual remuneration from the Company and AAHL may be reviewed periodically by the Board. Based on such reviews and mutual agreement between the parties to the employment agreement, the proportion of the remuneration payable between each entity may be adjusted. This may include an increase in the total remuneration payable by the Company and a corresponding decrease in the remuneration from AAHL. Further, if, based on mutual agreement between Mr. Rajaram Narayanan and the Company, his employment with AAHL is terminated during the term of his employment with the Company, he will become entitled to receive the entire amount from the Company.

Pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act, the approval of the remuneration payable to Mr. Rajaram Narayanan is now being placed before the Members at the ensuing Annual General Meeting for their approval by way of a Special Resolution.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, if any.

Disclosure as required as per Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India and the Listing Regulations is set out in **Annexure A** of this Notice. Further, disclosure under Schedule V of the Act is set out in **Annexure B** to this Notice.

Except Mr. Rajaram, none of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, thereof, are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 7 of the Notice.

Mr. Rajaram has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding interest from the Company.

The Board recommends the **Special Resolution** as set out in **Item No. 7** for approval by the Members.

**Item No.8: Re-appointment of Dr. Kamal Sharma (DIN: 00209430) as Independent Director for a second term of five consecutive years from August 25, 2025 to August 24, 2030**

Dr. Kamal Sharma was appointed as an Independent Director of the Company for a term of 5 (Five) years with effect from August 25, 2020 pursuant to approval of shareholders through Postal Ballot on January 17, 2021.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013 (the 'Act') read with Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') an Independent Director shall be eligible for re-appointment for second term on passing of a special resolution by the Company.

Further, sub-regulation 17(1A) of the Listing Regulations mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect.

It is to be noted that the shareholders of the Company, at its Thirty-seventh Annual General Meeting held on Tuesday, September 20, 2022, approved the continuation of Dr. Kamal Sharma as non-executive independent director of the company, on account of attaining the age of seventy-five years.

The Nomination & Remuneration Committee ('NRC'), after taking into account the performance evaluation of Dr. Kamal Sharma during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his re-appointment for a second term of five years from August 25, 2025 to August 24, 2030.

The Board of Directors based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved the re-appointment of Dr. Kamal Sharma as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five years from August 25, 2025 to August 24, 2030.

Dr. Kamal Sharma has confirmed his eligibility and has given his consent to act as Independent Director of the Company. The Company has received declarations from him confirming that (i) he meets the criteria of independence as provided in Section 149(6) of the Act and rules made thereunder & Regulation 16(1)(b) of Listing Regulations; (ii) he is not disqualified from being appointed as a Director in terms of Section 164 of the Act; (iii) he is a not debarred from holding office of director pursuant to any order of SEBI, Ministry of Corporate Affairs or any such other Statutory Authority; and (iv) he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Further, he has confirmed that he has successfully registered himself in the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs in terms of the requirement of the Act.

The Company has also received a notice under Section 160 of the Act from a member proposing his candidature as an Independent Director of the Company as per the applicable provisions of the Act.

As an Independent Director, he shall be entitled to the remuneration in the form of commission and sitting fees for attending Board & Committee meeting(s), if any which shall be governed by Company's Policy and approval of the Board and members (as applicable) from time to time.

In the opinion of the Board, he fulfils the conditions specified in the Act, rules made thereunder and the Listing Regulations for re-appointment as an Independent Director of the Company and is independent of the management of the Company.

The detailed profile and specific expertise of Dr. Kamal Sharma as required under Regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are provided in **Annexure-A** of this Notice.

Except Dr. Kamal Sharma, being the proposed appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said Resolution except to the extent of their shareholding in the company, if any.

The Board recommends the passing of **Special Resolution** as set out at **Item No. 8** of the Notice for approval by the Member.

**Item No. 9: Re-appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director for a second term of five consecutive years from August 25, 2025 to August 24, 2030**

Mr. Milind Sarwate was appointed as an Independent Director of the Company for a term of 5 (Five) years with effect from August 25, 2020 pursuant to approval of shareholders through Postal Ballot on January 17, 2021.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013 (the 'Act') read with Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company.

The Nomination & Remuneration Committee ('NRC'), after taking into account the performance evaluation of Mr. Milind Sarwate during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his re-appointment for a second term of five years from August 25, 2025 to August 24, 2030.

The Board of Directors, through Circular Resolution passed on July 12, 2025, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved the re-appointment of Mr. Milind Sarwate as a Non-Executive Director Independent of the Company, not liable to retire by rotation, for a second term of five years from August 25, 2025 to August 24, 2030.

Mr. Milind Sarwate has confirmed his eligibility and has given his consent to act as Independent Director of the Company. The Company has received declarations from him confirming that (i) he meets the criteria of independence as provided in Section 149(6) of the Act and rules made thereunder & Regulation 16(1)(b) of Listing Regulations; (ii) he is not disqualified from being appointed as a Director in terms of Section 164 of the Act; (iii) he is a not debarred from holding office of director pursuant to any order of SEBI, Ministry of Corporate Affairs or any such other Statutory Authority; and (iv) he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Further, he has confirmed that he has successfully registered himself in the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs in terms of the requirement of the Act.

The Company has also received a notice under Section 160 of the Act from a member proposing his candidature as an Independent Director of the Company as per the applicable provisions of the Act.

As an Independent Director, he shall be entitled to the remuneration in the form of commission and sitting fees for attending Board & Committee meeting(s), if any which shall be governed by Company's Policy and approval of the Board and members (as applicable) from time to time.

In the opinion of the Board, he fulfils the conditions specified in the Act, rules made thereunder and the Listing Regulations for re-appointment as an Independent Director of the Company and is independent of the management of the Company.

The detailed profile and specific expertise of Mr. Milind Sarwate as required under Regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are provided in **Annexure-A** of this Notice.

Except Mr. Milind Sarwate, being the proposed appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said Resolution except to the extent of their shareholding in the company, if any.

The Board, therefore, recommends the approval of the **Special Resolution** set out at **item no. 9** of this Notice.

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

**Yoshita Vora**
Company Secretary & Compliance Officer
Membership No.: ACS 22220

Date: July 13, 2025,
Place: Thane

## ANNEXURE – A

**Relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, is as given under:**

### a. Details of Mr. Rajaram Narayanan, Director of the Company:

| | |
|---|---|
| Name of the Director | Mr Rajaram Narayanan |
| DIN | 02977405 |
| Age | 57 |
| Nationality | Indian |
| Date of first appointment on the Board | April 11, 2022 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | With over 25 years of experience, Mr. Narayanan has a strong track record of leading revenue and profitability growth across multiple industries including pharmaceuticals. He joined from Sanofi India Limited, where he was the Managing Director and Country Chair for India. At Sanofi, he led the strategic reorientation of its India business operations, resulting in accelerated growth in key therapies and significant transformation of Sanofi's market operations. Before Sanofi, he was Chief Marketing Officer at Airtel, India's leading telecommunications company. Mr. Narayanan started his career at Hindustan Unilever Ltd., where he held various leadership roles in India and other Asian markets for over 18 years, building and managing many iconic consumer brands. |
| Terms and conditions of appointment or Reappointment | Executive Non Independent Director Liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Please refer explanatory statement against Item No. 7 to this notice of Annual General Meeting along with **Annexure B.** |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 8 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | 1. Risk Management Committee- Member<br>2. Corporate Social Responsibility Committee- Member<br>3. Stakeholders Relationship Committee- Member |
| List of Directorships held in Other Companies | • Alivira Animal Health Limited<br>• Sequent Research Limited<br>• Topkim Topkapi ilac Premiks Sanayi Ve Ticaret Anonik Sirketi<br>• Provet Veterinary Ürünleri San. Ve Tic. A. Ş.<br>• Vila Viña Participacions S.L.<br>• Laboratorios Karizoo, S.A |
| Membership/ Chairmanship of Committees of other Companies | **Memberships:**<br>- Alivira Animal Health Limited (Corporate Social Responsibility Committee)<br>**Chairmanships:**<br>- Alivira Animal Health Limited (Banking Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | Resigned from Sanofi India Limited (10th April, 2022) |

### b. Details of Mr. Neeraj Bharadwaj, Director of the Company:

| | |
|---|---|
| Name of the Director | Neeraj Bharadwaj |
| DIN | 01314963 |
| Age | 56 |
| Nationality | Indian |
| Date of first appointment on the Board | August 17, 2020 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Mr. Neeraj Bharadwaj served as Managing Director of Carlyle India Advisors Private Limited till December 2024 which, focused on large growth capital and buyout opportunities across sectors in India.<br>Prior to joining Carlyle in 2012, Mr. Bharadwaj was a Managing Director with Accel Partners' growth investing operation in India. Preceding that he was with Apax Partners for nearly 10 years – he was a Partner in the U.S. and subsequently Managing Director/Country Head for Apax in India, where he led the India operations.<br>He holds an MBA with distinction from Harvard Business School and graduated Summa Cum Laude with a BS in Economics from the Wharton School, University of Pennsylvania, USA. |
| Terms and conditions of appointment or Reappointment | Non-Executive Non-Independent Director Liable to retire by rotation |
| Shareholding in SeQuent Scientific Limited as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Non-Executive Directors.<br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 8 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | 1. Audit committee- Member<br>2. Risk Management Committee - Chairman<br>3. Nomination and Remuneration Committee - Member |
| List of Directorships held in Other Companies | • Piramal Pharma Limited<br>• Nxtra Data Limited<br>• Hexaware Technologies Limited<br>• Indegene Limited<br>• Viyash Life Sciences Private limited<br>• Ver Se Innovation Private limited<br>• VLCC Health Care Limited<br>• Saama Technologies, LLC, USA |
| Membership/ Chairmanship of Committees of other Companies | **Memberships:**<br>- Piramal Pharma Limited (Risk Management Committee)<br>- Nxtra Data Limited (Nomination and Remuneration Committee)<br>- Hexaware Technologies Ltd. (Corporate Social Responsibility committee, Environmental, Social and Governance Committee, Nomination and Remuneration Committee)<br>- Indegene Limited (Nomination and Remuneration Committee)<br>- Saama Technologies, LLC, USA (Nomination and Remuneration Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | Resigned from Piramal Pharma Limited (14th May, 2025) |

c. **Details of Dr. Kamal Sharma, Director of the Company:**

| | |
|---|---|
| Name of the Director | Dr. Kamal Sharma |
| DIN | 00209430 |
| Age | 77 |
| Nationality | Indian |
| Date of first appointment on the Board | August 25, 2020 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Dr. Kamal Sharma has over five decades of professional experience in executive positions in the Chemical and Pharmaceutical industries and has essayed a wide variety of roles in operations, corporate development and executive management. As the Managing Director of Lupin for a decade between 2003-13, he was instrumental in Lupin achieving leadership position in key markets and businesses, transforming it into one of the largest and fastest growing pharmaceutical companies globally. Previously, he also served as President & Chief Executive of the Life Sciences and speciality group and Member of the Management Board at RPG Enterprises.<br><br>Mr. Sharma received a bachelor's degree in chemical engineering from IIT Kanpur, a post graduate diploma in Industrial Management from Jamnalal Bajaj Institute of Management Studies and a PhD in Economics from IIT, Mumbai. He has also attended Advanced Management Program (AMP) at Harvard Business School, Boston. |
| Terms and conditions of appointment or Reappointment | Non-Executive Independent Director not liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br><br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 8 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | 1. Audit Committee - Member<br>2. Nomination and Remuneration Committee - Member<br>3. Corporate Social Responsibility Committee - Chairman |
| List of Directorships held in Other Companies | • Shilpa Medicare Limited<br>• Symed Labs Limited<br>• Faisa Financial Private Limited<br>• Templetree Properties Private Limited<br>• Temple Wellness Ventures India Private Limited<br>• Alivira Animal Health Limited<br>• Viyash Life Sciences Private Limited<br>• Shalina Healthcare DMCC<br>• Alivira Animal Health Limited, Ireland<br>• Laboratorios Karizoo, S.A |

| | |
|---|---|
| Membership/ Chairmanship of Committees of other Indian Companies | **Memberships:**<br>- Shilpa Medicare Limited (Audit Committee, Stakeholders Relationship Committee, Risk Management Committee)<br>**Chairmanships:**<br>- Alivira Animal Health Limited (Corporate Social Responsibility Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | • Lupin Limited (14th October 2022) |
| Summary of performance evaluation report | He has made significant contributions during his first term of five years. Based on the evaluation conducted by the Board and the Nomination and Remuneration Committee, his performance reflects strong knowledge, acumen, expertise, and experience. His substantial contributions and consistent time commitment have been duly acknowledged and appreciated. |

### d. Details of Mr. Milind Sarwate, Director of the Company:

| | |
|---|---|
| Name of the Director | Mr Milind Sarwate |
| DIN | 00109854 |
| Age | 65 |
| Nationality | Indian |
| Date of first appointment on the Board | August 25, 2020 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Milind Sarwate, Founder of Increate, is an Advisor, Mentor, Independent Director, & ESG Contributor.<br>Increate (meaning "Uncreated" or "Undiscovered", increate.in) works towards business and social value creation, with a focus on capability-building, governance & social aspects of ESG.<br>Milind's independent directorships include Asian Paints, Mahindra Finance, CEAT, Nykaa, and Hexaware. He specializes in audit committee roles. He has been on listed company boards since 2005. His previous board memberships include Mindtree and International Paper.<br>His 42-year experience includes long stints as CFO and CHRO in Marico & Godrej.<br>He is a Chartered Accountant, Cost Accountant, Company Secretary, and a CII-Fulbright Fellow. |
| Terms and conditions of appointment or Reappointment | Non Executive Independent Director not liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 8 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | 1. Audit Committee- Chairman<br>2. Nomination and Remuneration Committee- Chairman<br>3. Stakeholders Relationship Committee- Member<br>4. Risk Management Committee- Member |

| | |
|---|---|
| List of Directorships held in Other Companies | • Mahindra & Mahindra Financial Services Ltd<br>• Hexaware Technologies Limited<br>• FSN E-Commerce Ventures Limited<br>• CEAT Limited<br>• Asian Paints Limited<br>• OmniActive Health Technologies Limited<br>• WheelsEMI Pvt Ltd. |
| Membership/ Chairmanship of Committees of other Indian Companies | **Memberships:**<br>- Asian Paints Limited (Risk Management Committee)<br>- CEAT Limited (Risk Management Committee & Sustainability and CSR Committee)<br>- FSN E-Commerce Ventures Limited (Fundraise & Investment Committee)<br>- Hexaware Technologies Limited (Risk Management Committee)<br>- Mahindra & Mahindra Financial Services Ltd (Asset Liability Committee, Audit Committee, Digital & AI Committee, Nomination & Remuneration Committee, Risk Management Committee, Special Committee for Monitoring and Follow-up of Frauds)<br>- OmniActive Health Technologies Limited (Audit Committee)<br>- WheelsEMI Pvt. Ltd. (Nomination & Remuneration Committee)<br><br>**Chairmanships:**<br>- Asian Paints Limited (Audit Committee)<br>- CEAT Limited (Audit Committee)<br>- FSN E-Commerce Ventures Limited (Audit Committee)<br>- Hexaware Technologies Limited (Audit Committee, Nomination and Remuneration Committee and ESG Committee)<br>- Mahindra & Mahindra Financial Services Ltd (Committee for Strategic Investments, IT Strategy Committee)<br>- OmniActive Health Technologies Limited (Nomination & Remuneration Committee)<br>- WheelsEMI Pvt. Ltd. (Audit Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | • Metropolis Healthcare Limited (6$^{th}$ September 2023) |
| Summary of performance evaluation report | He has made significant contributions during his first term of five years. Based on the evaluation conducted by the Board and the Nomination and Remuneration Committee, his performance reflects strong knowledge, acumen, expertise, and experience. His substantial contributions and consistent time commitment have been duly acknowledged and appreciated. |

**Relevant details pursuant to Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, is as given under:**

## a. Details of Dr. Fabian Kausche, Director of the Company:

| | |
|---|---|
| Name of the Director | Dr. Fabian Kausche |
| DIN | 08976500 |
| Age | 63 |
| Nationality | American |
| Date of first appointment on the Board | December 14, 2020 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Dr. Fabian Kausche is currently Deputy Director General for Research and Innovation at the International Livestock Research Institute (ILRI) a non-governmental organization based in Nairobi, Kenya. He concurrently serves on the board of Pet Flavors, LLC Melbourne, Florida. He also owns and runs FK Consulting, LLC a company located in Atlanta specializing in supporting animal health companies in product innovation and organizational efficiency strategies and works as scientific advisor for Rejuvenate Bio a California-based startup that develops modern gene therapies for companion animals and as special advisor for FidoCure a startup company researching treatments for cancer in dogs using artificial intelligence. He was chairman of the board for PetMedix a UK-based startup developing monoclonal antibodies for pets until it's successful exit and sale to Zoetis.<br><br>Dr. Kausche held subsequent positions as Global Head of Research & Development for three of the top eight global Animal Health companies: Novartis Animal Health, Merial, and Boehringer Ingelheim Animal Health where led the post-merger integration of the largest R&D organization in the Animal Health industry with more than 1,200 scientist and support staff. In addition to his extensive Animal Health R&D experience, he gained additional expertise in the human health space as head of R&D for Novartis Consumer Health. Prior to that, he also successfully led a companion animal sales force for Novartis Animal Health.<br><br>Dr. Kausche received a veterinary degree from the Hannover Veterinary School. He subsequently completed a Master of Science degree at Iowa State University. Dr. Kausche also took part in a research program that led him to receiving the German PhD (Dr.med.vet.) in a combination program between the Hannover Medical and Veterinary Schools. Having completed the Advanced Management Program in 2005, he is also an alumnus of Harvard Business School. |
| Terms and conditions of appointment or Reappointment | Non-Executive Non-Independent Director Liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited including shareholding as a beneficial owner as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br><br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 7 of 8 |

| | |
|---|---|
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | Nil |
| List of Directorships held in Other Companies | • GALVmed Ltd<br>• Rejuvenate Bio<br>• Pet Flavors, LLC Melbourne, Florida<br>• Novobind<br>• FidoCure |
| Membership/ Chairmanship of Committees of other Companies | **Memberships:**<br>- GALVmed Ltd (Scientific and technical committee)<br>- Rejuvenate Bio (Scientific Advisory Committee)<br>- Novobind (Advisory Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | Nil |

### b. Details of Mr. Gregory John Andrews, Director of the Company:

| | |
|---|---|
| Name of the Director | Mr. Gregory John Andrews |
| DIN | 08904518 |
| Age | 64 |
| Nationality | Australian |
| Date of first appointment on the Board | October 07, 2020 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Greg is a multi-disciplinary executive with 40 years of commercial experience in the pharmaceutical industry. He is a dynamic business leader who creates a positive impact on the business environment through change and active engagement of both internal and external stakeholders.<br>Marketing, communications and management are his core disciplines.<br>Greg has led many marketing teams in the USA and Europe and most recently was the Global Marketing Director for Virbac. He headed global Public Affairs and Policy for Pfizer Animal Health during its IPO transition to Zoetis. Greg also held numerous senior management roles within the animal health industry including country and regional management in Europe, Africa, Middle East, Russia and CIS. He currently acts as an animal health consultant.<br>Greg received a Bachelor of Science (Hons) from Monash University, Australia and Post Graduate Diplomas in both Business Management and International Relations from the University of Tasmania, Australia. |
| Terms and conditions of appointment or Reappointment | Non-Executive Non-Independent Director Liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited including shareholding as a beneficial owner as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Number of Board Meetings attended during the FY 2024-25 | 8 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | Nil |

| | |
|---|---|
| List of Directorships held in Other Companies | Nil |
| Membership/ Chairmanship of Committees of other Companies | Nil |
| Listed entities from which the appointee has resigned in the past 3 years: | Nil |

### c. Details of Mr. Hari Babu Bodepudi, Director of the Company:

| | |
|---|---|
| Name of the Director | Mr. Hari Babu Bodepudi |
| DIN | 01119687 |
| Age | 61 |
| Nationality | Indian |
| Date of first appointment on the Board | August 7, 2023 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Dr. Hari Babu Bodepudi holds a PhD degree in Organic Chemistry from Andhra University and has over 30 years of Industry experience permeating diverse roles in Research, Manufacturing, Quality and operations in both APIs and Oral Solids.<br><br>During the last 20 years, he held several leadership roles in technical and commercial operations in Mylan Laboratories, including being the COO of Mylan India, CEO of Mylan India and the Global COO of Mylan.<br><br>He was responsible for more than 50 Mylan facilities and managing more than 200 APIs and 15000 SKUs of different formulations.<br><br>At Mylan, he led Mylan's foray into the ARV business and grew that business to over USD800 Million with global leadership (in volume, value and portfolio spread) and more than 50% market share.<br><br>He has hands-on experience in global supply chain, regulatory, API R&D, quality and Commercial operations. |
| Terms and conditions of appointment or Reappointment | Non-Executive Non-Independent Director Liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited as on the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br><br>The details of remuneration paid to him are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 6 of 8 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | Nil |
| List of Directorships held in Other Companies | • Symed Labs Limited<br>• Vindhya Pharma (India) Private Limited<br>• Appcure Labs Private Limited<br>• Viyash Life Sciences Private Limited |
| Membership/ Chairmanship of Committees of other Indian Companies | **Chairmanships:**<br>- Viyash Life Sciences Private Limited (CSR Committee)<br>- Symed Labs Limited (CSR Committee) |
| Listed entities from which the appointee has resigned in the past 3 years: | Nil |

### d. Details of Ms. Revati Parag Kasture, Director of the Company:

| | |
|---|---|
| Name of the Director | Ms. Revati Parag Kasture |
| DIN | 07558973 |
| Age | 54 |
| Nationality | Indian |
| Date of first appointment on the Board | December 17, 2024 |
| Brief resume, Qualification(s), Experience and Nature of expertise in specific function | Ms. Revati Kasture has over two decades of experience in ratings and research. She is currently the Executive Director (under organization nomenclature) of Care Ratings Limited and CEO of CareEdge Global IFSC Limited (CGIL), a wholly owned subsidiary of Care Ratings.<br><br>Prior to this she headed the Criteria and Policy Department at CARE Ratings which entailed development of rating criteria, policy and rating models, process improvements as well as interacting with regulators. In the span of her career, she has managed multiple departments within CARE including the large corporate ratings, incubation and scale-up of industry research department making it a profit Centre.<br><br>Ms. Kasture is an all-India merit rank holder Chartered Accountant and Cost Accountant and has been honored with Professional Achiever- Woman award by the Institute of Chartered Accountants of India in December 2011. She is also awarded as one of India's top 100 "Women in Finance" in Leading Category in March 2019. |
| Terms and conditions of appointment or Reappointment | Non-Executive Independent Director not liable to retire by rotation. |
| Shareholding in SeQuent Scientific Limited including shareholding as a beneficial owner as at the date of notice | Nil |
| Details of remuneration sought to be paid and the remuneration last drawn. | Remuneration shall be paid as per the Policy on Director's Appointment and Remuneration and approval of the shareholders for payment of remuneration to Independent.<br><br>The details of remuneration paid to her are provided in the Report on Corporate Governance for FY 2024-25. |
| Relationship with other directors, Managers and Key Managerial Personnel of the Company | None |
| Number of Board Meetings attended during the FY 2024-25 | 1 of 1 |
| Membership/Chairmanship of the Committees of SeQuent Scientific Limited | 1. Audit Committee- Member<br><br>2. Stakeholder's Relationship Committee- Chairperson |
| List of Directorships held in Other Companies | Nil |
| Membership/ Chairmanship of Committees of other Indian Companies | Nil |
| Listed entities from which the appointee has resigned in the past 3 years: | Nil |

## ANNEXURE – B

**STATEMENT PURSUANT TO PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 6 AND 7 OF THE NOTICE**

### 1. General Information:

**a. Nature of Industry:**

The Company is India's leading animal health company, ranked among the top 20 animal health companies in the world. The Company, along with its subsidiaries, operates in over 90 countries and has 7 manufacturing facilities, serving consumers worldwide. Our comprehensive offering, includes Active Pharmaceutical Ingredients (API), finished dosage formulations (FDF), and analytical services, caters to the global needs of animal health.

**b. Date or expected date of Commencement of Commercial production:**

Not applicable as the Company is an existing Company

**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable as the Company is an existing Company

**c. Financial performance based on given indicators of the Company:**

₹ In Million

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| Total income | 2291.94 | 2144.98 | 2509.27 |
| Profit / (Loss) before tax | 220.48 | (2.39) | (97.46) |
| Profit / (Loss) after tax | 157.94 | 6.22 | (60.80) |

**d. Foreign Investment or collaborations, if any:**

The foreign investment in the Company is 52.61% of the Paid-up Share Capital of the Company as on March 31, 2025. The Company does not have any foreign collaborations.

### 2. Information about the appointee

**a. Background details:**

Brief profile of Rajaram:

With over 30 years of experience, Mr. Rajaram has a strong track record of leading revenue and profitability growth across multiple industries including pharmaceuticals. He joined from Sanofi India Limited, where he was the Managing Director and Country Chair for India. At Sanofi, he led the strategic reorientation of its India business operations, resulting in accelerated growth in key therapies and significant transformation of Sanofi's market operations. Before this, he was Chief Marketing Officer at Airtel, India's leading telecommunications company. Rajaram started his career at Hindustan Unilever Ltd., where he held various leadership roles in India and other Asian markets for over 18 years, building and managing many iconic consumer brands.

Mr. Rajaram holds a Degree of BE (Hons)-Electrical & Electronics from Birla Institute of Technology and Science, Pilani, and MBA from Indian Institute of Foreign Trade, New Delhi. He has completed the Advanced Management Program from Harvard Business School, USA

Past remuneration, recognition or awards:

In the financial year 2024-25, remuneration of Mr. Rajaram Narayanan was ₹19.87 Million from the Company. Further, he had additionally received remuneration of ₹29.36 Million from Alivira Animal Health Limited, a wholly owned subsidiary of the Company.

**b. Job Profile and suitability:**

Considering Mr. Rajaram's solid track record of successfully transforming businesses in highly complex and regulated industries, the Board believes that his strategic vision as well as operational expertise and rigor will be pivotal for the Company's next phase of growth and success. Following are his key achievements in the Company:

- ✓ Growth in financials
- ✓ Product Expansion across geographies
- ✓ Restructuring of business
- ✓ Awards and recognitions for Company
- ✓ Shareholders Value Creation

**c. Increment in Remuneration proposed:**

As provided in Item No. 7 of Explanatory Statement to this Notice.

**d. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable to Mr. Rajaram has been benchmarked with the remuneration being drawn by other managerial personnel in the similar capacity of other Companies of comparable size in the pharmaceutical industry. Considering the general industry and the specific Company profile, the remuneration is in line with the industry levels and that of comparatively placed companies in India.

**e. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Mr. Rajaram has no other pecuniary relationship with the Company except to the extent of his remuneration from the Company.

**f. Profile and other disclosures of the Non-Executive Directors (including Independent Directors):**

The brief profile of Non Executive Directors (Including Independent directors), along with past and proposed remuneration can be referred to in Annexure-A. Basis their contribution in the Company, the Company believes that the proposed remuneration to the Non-Executive Directors is commensurate with the remuneration paid by similar size of companies with similar complexities.

There is no other pecuniary relationship with the Company for the managerial person except to the extent of remuneration to be received from the Company.

## 3. Other Information:

**Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

The Company is proactively implementing strategic initiatives aimed at enhancing future performance. Efforts are underway to drive organizational and operational efficiencies, reinforce core competencies, and strengthen financial resilience. Key focus areas include profit optimization, prudent cash management, improved operational execution, and effective cost and working capital control.

The Company is focused on growth by expanding into new markets and increasing its international presence. It is also accelerating research and development in our businesses to create future pipeline of new products to drive consistent growth.

## ANNEXURE-C

**General instructions for accessing and participating in the AGM through Video Conference/ Other Audio-Visual Means (VC/ OAVM) Facility and voting through electronic means including remote e-Voting**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

4. In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at https://www.sequent.in/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

5. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on August 4, 2025, at 09:00 A.M. and ends on August 7, 2025, at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 1, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 1, 2025.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. August 1, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA. 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. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 1, 2025, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.• If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
   a. If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      (i). If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8-digit of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii). If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

## How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.com

## Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorrelations@sequent.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorrelations@sequent.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

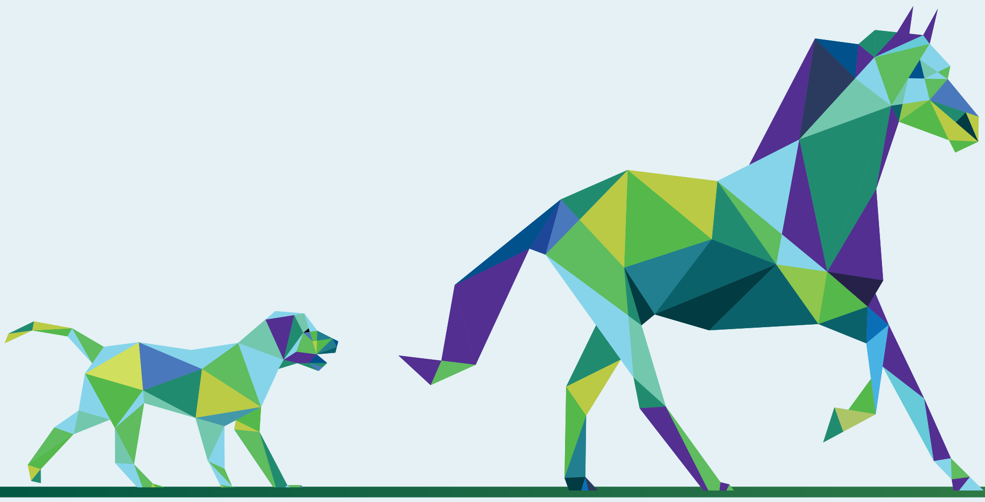
## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorrelations@sequent.in. The same will be replied by the company suitably.

**Instructions for Members for Attending the AGM Through VC / OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for AGM and will be available for Members on first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members facing any technical issue in login before / during the AGM can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
7. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investorrelations@sequent.in between August 4, 2025 (9.00 a.m. IST) to August 6, 2025 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

# Notes



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