Sequent
Proven Ability In Life Sciences

August 29, 2022

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Scrip code: 512529

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Symbol: SEQUENT

Dear Sir/ Madam,

Subject: Notice of 37th Annual General Meeting and Annual Report for the FY 2021-22

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Notice convening the 37th Annual General Meeting ('AGM') along with the Annual Report of the Company for FY 2021-22, being sent to the Members through electronic mode.

The AGM of the Company will be held on **Tuesday, September 20, 2022** at **04:00 p.m. (IST)** through Video Conferencing / Other Audio Visual Means to transact the businesses as set forth in the Notice of AGM.

The said Annual Report and Notice of AGM are also available on the website of the company at www.sequent.in. The same can be accessed at https://sequent.in/pdf/annual-report/2021-22/Annual%20Report%202021-22.pdf

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For **Sequent Scientific Limited**

Kshah

SEQUENT SCIENTIFIC LIMITED

Krunal Shah
Company Secretary & Compliance Officer

Sequent
Proven Ability In Life Sciences

Annual Report 2021-22

ALIVIRA

CONSOLIDATE. ACCELERATE.

Index

Financial Performance

₹14,128 Mn
Revenue from operations
↑ 3.8%*

₹1,094 Mn
Operating EBITDA
7.7% Operating EBITDA margin

₹9,814 Mn
Revenue from Formulations
↑ 8.4%

₹4,314 Mn
Revenue from APIs
↓ 5.5%

₹413 Mn
Profit After Tax#

₹574 Mn
Cashflow from operations

↑ Y-o-Y growth over FY21
↓ Y-o-Y decline over FY21
*7.2% in constant currency
PAT after minority interest

FY22 highlights

Welcome to SeQuent

In a short period of time, SeQuent has evolved as the leading animal health company from India, carving out a niche for itself across the world with its unique business model. Sequent has grown from strength to strength, acquiring businesses in key global animal health markets, integrating the entities, scaling operations, and subsequently consolidating them successfully.

Under Sequent 2.0, the Company has put into motion several initiatives, with a strong emphasis on strategic investments to scale and build capabilities. We are exploring new markets, expanding our portfolio, for both Formulations and APIs, entering new segments, and collaborating closely with our valued customers.

Despite increasing uncertainties in the global markets, we are confident in our ability to accelerate competitive growth and achieve the bold ambitions set out in the Sequent 2.0 roadmap. Our diversified market reach, long standing partnerships, consistent focus on innovation, and our deep domain expertise in animal health will contribute immensely towards establishing Sequent as a global animal health major in the coming years.

Operational

API

- Contribution from regulated markets increased from ~ half to 2/3rd of overall API business in the year
- Successfully completed multiple customer EHS audits and external safety audits through Licensed Auditors for our manufacturing sites in India
- Continue to engage with Top 10 animal health companies for sustainable long-term business
- Submitted 1 new VMF filing – Total 24 USVMF filings and 11 CEP approvals with 30+ commercialised APIs offered to customers globally
- Commissioned a pilot plant at Vizag to further augment capabilities
- Mahad site successfully completed the certification audit from TÜV NORD CERT GmbH for ISO 14001 on Environment and ISO 45001 on Health & Safety
- Capacity ramped up at Indian manufacturing sites to keep pace with increasing demand

Formulations

- India formulation business crossed landmark of ₹1 Billion in revenues for the year
- Our Turkish facility received EU GMP approval for Tablets line, along with EU GMP renewal for other dosage forms for existing site, to leverage site as base for exports to Europe and other international markets
- Onboarded sectoral experts to support new growth initiatives and strengthen partnerships with large animal health companies globally
- Consolidated minority stake in Brazil, which is now fully owned, building on the strong track record of successfully Acquiring, Consolidating and Accelerating global businesses
- Expanded Tulathromycin franchise – our first formulation from Indian R&D facility, with launches in multiple markets of Europe and submission of filings in key regulated markets and strategic emerging markets
- Acquired 100% stake in Nourrie Saúde e Nutrição Animal Ltda (Nourrie) in Brazil, marking entry into the companion animal market, and the 4th largest pet market globally
- Accelerated investments to strengthen our capabilities in manufacturing and compliance, resumed upgrading sterile injectables facility at Bremer in Germany for US FDA readiness

Corporate identity

CONTINUING OUR LEGACY IN HEALTHCARE

SeQuent Scientific Limited is India's largest animal health company offering a comprehensive portfolio of Active Pharmaceutical Ingredients (API), finished drug formulations and analytical services, addressing the needs of the animal health sector worldwide. We are also amongst the 'Top 20' in our sector globally, with nine manufacturing facilities across Europe, Turkey, Brazil and India. With The Carlyle Group as our Promoter, we are well supported to explore and pursue new avenues of growth, and the team's efforts are further guided by the valuable experience of our well diversified Board. Sequent offers APIs and finished drug formulations under the brand name Alivira across all global markets while Sequent Research is a contract research organisation with expertise in analytical and bioanalytical services for pharmaceutical, personal care, nutraceutical, and API firms.

Vision

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

Mission

To deliver quality products competitively while adhering to high standard of quality, governance & compliance

Largest
Animal health company from India

~2/3rd
Revenue from regulated markets

30+
Commercial APIs

80+
Countries

9
Manufacturing facilities*

₹2.73 Mn
CSR spend

5
R&D centres

1,900+
Employees

1,000+
Finished dosage formulations across 12 dosage forms

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

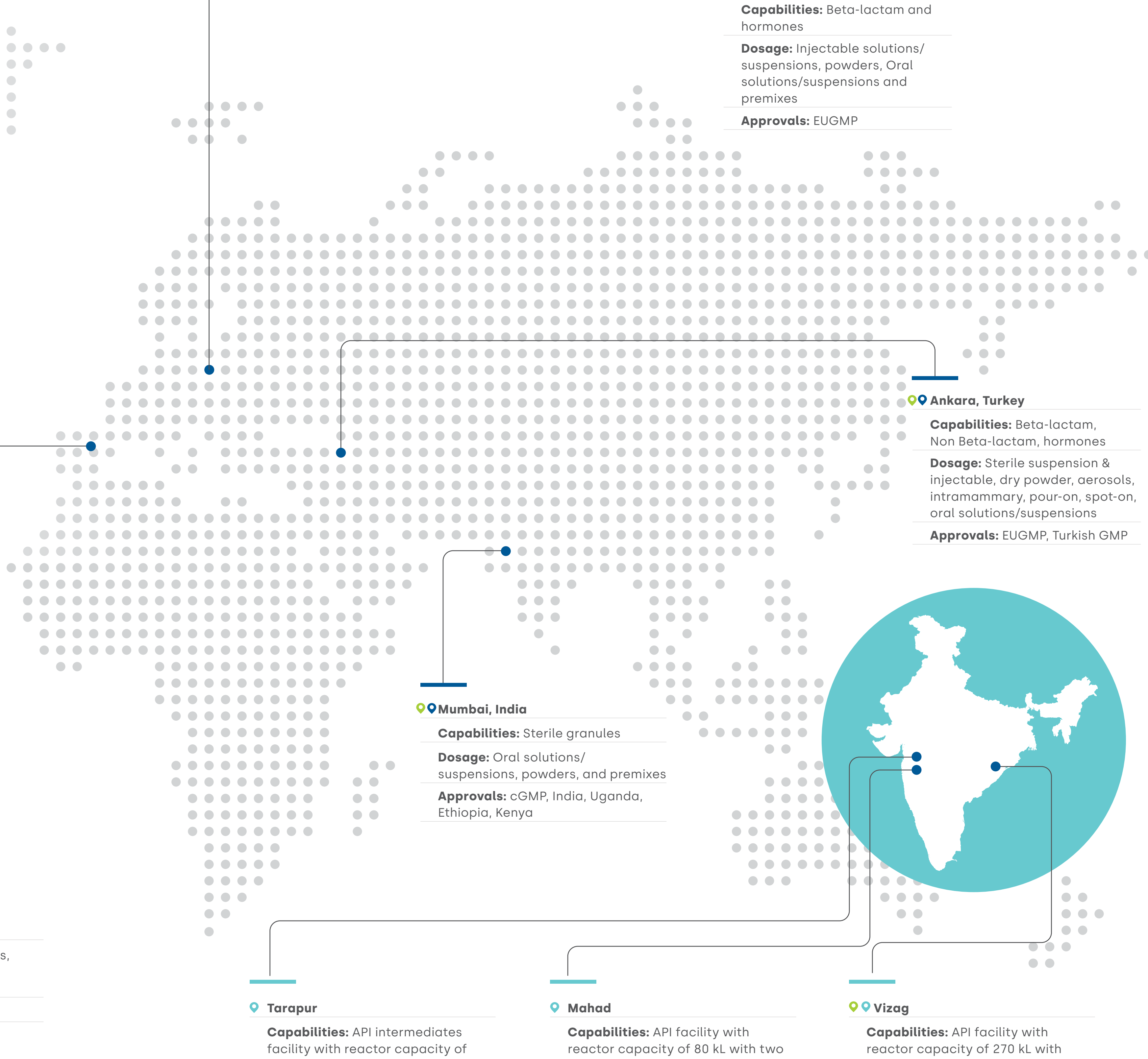
Continuous Improvement
- Better each day.
- We improve systems and procedures for better quality and cost efficiency.

*3 in API (Vizag, Mahad, Tarapur), 6 in Formulations [(Ambernath, India), Spain, Germany, Turkey, Brazil (2 facilities - Campinas and Minas Gerais)]

Our presence

ACHIEVING OPTIMAL SCALE

We have a diversified global presence with manufacturing capabilities across multiple regions including Europe, India, emerging markets such as Latin America, Turkey, and other emerging markets. With 3 API facilities in India, 6 formulation manufacturing facilities and 5 R&D centres globally, we continue to expand and invest in building capabilities in R&D and manufacturing.



Warburg, Germany

Capabilities: Beta-lactam and hormones

Dosage: Injectable solutions/ suspensions, powders, Oral solutions/suspensions and premixes

Approvals: EUGMP

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

Barcelona, Spain

Capabilities: Dedicated beta-lactam powder block & nutritional

Dosage: Oral solutions/ suspensions, powders and premixes

Approvals: EUGMP

Mumbai, India

Capabilities: Sterile granules

Dosage: Oral solutions/ suspensions, powders, and premixes

Approvals: cGMP, India, Uganda, Ethiopia, Kenya

Campinas, Brazil

Dosage: Powders and premixes

Approvals: MAPA

Minas Gerais, Brazil

Dosage: Premixes, tablets, pastes, suspensions and solutions

Approvals: MAPA

Tarapur

Capabilities: API intermediates facility with reactor capacity of 64 kL with two clean rooms

Approvals: cGMP

Mahad

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

Approvals: EUGMP, COFEPRIS Mexico

Vizag

Capabilities: API facility with reactor capacity of 270 kL with seven clean rooms

Approvals: USFDA, EUGMP, WHO – Geneva

Key

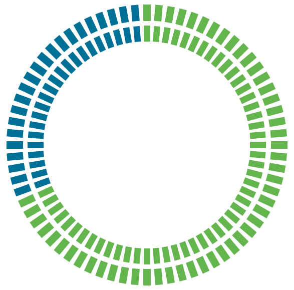
API   Formulations   R&D Centres

Key performance indicators

DRIVING EFFICIENCIES FORWARD

Traversing through the many challenges of FY22, we have grown stronger, and are making good headway with our strategic goals. We are confident about the underlying strength of our organisation to continue delivering exceptional outcomes.

Revenue by business segment

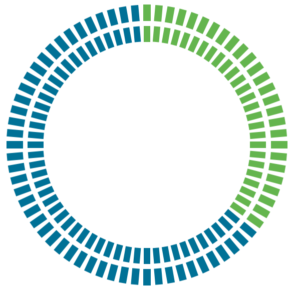


- 31%-API
- 69%-Formulations

Revenue by Markets (Formulations)

- 43%-Europe
- 23%-LATAM
- 14%-Turkey
- 10%-Emerging markets
- 10%-India

Revenue by markets (APIs)



- 65%-Regulated
- 35%-Less Regulated

Revenue from operations (in ₹ Mn)

FY22	14,128
FY21	13,616
FY20	11,792
FY19	10,393
FY18	8,484

Y-o-Y growth: 4%

EBITDA (in ₹ Mn)

FY22	1,094
FY21	2,163
FY20	1,758
FY19	1,327
FY18	871

EBITDA margin (in %)

FY22	7.70
FY21	15.90
FY20	14.90
FY19	12.80
FY18	10.30

Profit after tax* (in ₹ Mn)

FY22	413
FY21	954
FY20	699
FY19	487
FY18	9^

Cashflow from operations (in ₹ Mn)

FY22	574
FY21	1,585
FY20	1,272
FY19	1,154
FY18	541

Gross bock + CWIP (in ₹ Mn)

FY22	6,426
FY21	6,098
FY20	5,936
FY19	5,528
FY18	3,976

* PAT after minority interest
^ Post demerger of human business

Return on capital employed (%)

FY22	9.80
FY21	20.20
FY20	15.60
FY19	11.70
FY18	7.80

Net debt to equity

FY22	0.37
FY21	0.22
FY20	0.33
FY19	0.36
FY18	0.38

Net debt to EBITDA

FY22	2.32
FY21	0.75
FY20	1.30
FY19	1.90
FY18	2.80

Chairman's message

BANKING ON OUR CAPABILITIES

It gives me immense pleasure to connect with you all again.

While the world started recovering from the pandemic, and economic activity revived in many sectors, new geo-political events threatened to interrupt the return to normalcy. The disruption in supply chains, volatility in prices of input materials and increasing costs of utilities have presented new challenges to all businesses. As your company operates in multiple geographies across the world, we too were not insulated from the impact of the pandemic and these recent developments.

I am proud of the entire SeQuent team for their unstinting efforts, which have helped us to navigate these challenges, as we continue with our endeavour to build a global animal health major from India. The last two years have taught us to be resilient, find innovative solutions, and reinvent ourselves to emerge stronger. The efforts are already evident through the new milestones achieved in all our business.

We are excited by the opportunities that lie ahead of us. The global animal health market was valued at ~US$ 53 Billion in 2021 and is expected to witness a CAGR of 5% - 7% during this decade. Your company has built a strong foothold and consolidated its position in many key animal healthcare markets, including India, which will provide the springboard needed to accelerate our growth agenda.

Your company with its global presence has already established itself as a manufacturer of high quality Active Pharmaceutical Ingredients (API) and Formulations, serving customers in the United States, Europe, India, Latin America, and other emerging markets. We are building a strong operational infrastructure with 5 R&D centres, 9 manufacturing facilities across the world, and marketing presence in nearly 80 countries.

Coming to sustainability, we believe that what is good for the society, is good for our business. We are committed to leveraging new technology platforms and using novel approaches, resulting in minimal utilisation of energy resources and better waste management.

During the year our employees were provided free of cost vaccination against Covid-19, as we continued to put the highest priority on the safety and well-being of our employees. I would like to express my gratitude to our people and their families for stretching beyond the normal call of duty and ensuring that we have uninterrupted supply of products for our customers.

Our ambitious plans have been laid out under the Sequent 2.0 strategy.

We have now consolidated our operations substantially and put in place the building blocks needed to accelerate our growth. We are also prepared to face any volatility and have developed agile mechanisms to seize new opportunities for growth and contain costs, while working within the broader framework of our strategy.

We are delighted to welcome Rajaram Narayanan as Managing Director and CEO of the Company. He joins us with a strong track record and experience of leading and transforming businesses in complex and competitive industries. The Board looks forward to partnering with him in the company's next phase of successful growth.

I would like to take this opportunity to thank my fellow Board Members and all the other stakeholders for their valuable guidance, trust, and support towards our vision of creating a global animal healthcare leader out of India.

Warm regards,

Dr. Kamal K Sharma
Chairman

Managing Director's message

DRIVING GROWTH THROUGH COALESCENCE

I am happy to write to you for the first time as the Managing Director of your Company. Sequent is a unique company, which has systematically built a strong presence across the world in a relatively short period of time.

> I am proud to inform you that even in the face of adversity and a year full of challenges, your company continued to achieve new milestones in line with its strategy.

We are the largest animal health company from India and are currently amongst the Top 20 animal health companies in the world. Our Sequent 2.0 strategy guides our ambition to take big and bold steps to climb up the pecking order and establish ourselves firmly within the upper tier of the industry.

I am proud to inform you that even in the face of adversity and a year full of challenges, your company continued to achieve new milestones in line with its strategy.

We now have a presence across 80 countries. Our recent focus has been to consolidate our businesses across the world. We have made strategic acquisitions over the last few years across regulated markets, which are at the forefront of the animal healthcare industry. The formulations business, which is a major driver of your company's growth, registered two-thirds of its revenues from regulated markets. Our regional presence and world class manufacturing capabilities have helped us to exploit the opportunities available in these markets.

Brazil is the 4th largest animal health market in the world. Since its acquisition in 2016, Alivira Brazil has emerged to be amongst the Top 10 animal health players in Brazil, having grown significantly at a CAGR of 57% over the last 5 years. We have taken a step further this year and acquired 100% stake in Nourrie, which came with a portfolio of 23 commercialised products, and a near-term pipeline of 17 products for pet and swine categories. With the consolidation of Alivira's business in Brazil, we now have full ownership in most of our subsidiaries. This will enable us to leverage the unique capabilities in our markets, create synergies and accelerate growth.

Our formulations business grew at a CAGR of 11% over the last 4 years, clocking a revenue of ₹9.8 Billion in this financial year. The formulations business in India crossed the landmark of ₹1 Billion in annual revenues. Post the relaxation of pandemic related restrictions, we have also resumed the upgradation of our formulations facility in Germany, to serve the markets in Europe and USA.

Your company also has the distinction of being the only one in India to have established a USFDA approved greenfield dedicated veterinary API facility. We successfully completed several customer audits at this facility. The manufacturing facility at Mahad also successfully completed the audit certification from TÜV NORD CERT GmbH for ISO 14001 on Environment and ISO 45001 on Health & Safety. The API business achieved revenues of ₹1.4 Billion in Q4 FY22, achieving the highest ever quarterly performance, and closed the year with ₹4.3 Billion in total revenues for FY22. Your company also successfully commercialised 1 new API and submitted a new US VMF filing, taking the total of commercialised APIs up to 31.

In aggregate, we reported a revenue of ₹14.1 Billion, which saw a 3.8% growth (7.2% in constant currency terms). Macroeconomic factors and currency volatility, especially in Turkey, had a bearing on our financials. The Turkish Lira moved from 8.33 to a US$ in March 2021 to 14.65 to a US$ in March 2022. This unfavourable currency depreciation caused a reduction in net worth by about ₹797 Million. However, we have a leading position in the Turkish market, which is gaining strength on the back of our local manufacturing capabilities and strong branded generics business.

> Our concerted efforts towards building strong partnerships, and continued investments in building capabilities in R&D and manufacturing, will provide a strong pipeline of products.

I thank our Board for their valuable guidance and all our stakeholders for supporting us in our journey. I am truly proud of the work that has been put in over the past few years, to bring the company to an enviable position. It is an honour to lead the team at Sequent through this exciting next phase of growth towards building a significant and large global animal health company from India.

Warm regards,

Rajaram Narayanan
Managing Director

Operating environment

TRENDS SHAPING OUR STRATEGY

There is a growing awareness around maintaining the health of livestock as well as companion animals with top notch care. The global animal healthcare pharmaceutical market was estimated to be at ~US$ 53 Billion in 2021, expected to be growing at ~5% CAGR over the next 4-5 years and is likely to reach ~US$ 70 Billion by 2027.

Pet animals

Demand for pet ownership is increasing in recent times considering the evolving social fabric, greater nuclearisation of families and the desire for companionship with pets post the lockdown era. Pets are recognised as not just companions but play an important role in improving people's mental health and wellbeing. The perspective has changed from pet ownership to responsible pet parenthood. This rise in companion animal ownership has given an impetus to the demand for pet healthcare, as pet parents and caregivers value them just like their family members. The global pet pharmaceuticals sector is expected to drive growth for the overall animal healthcare sector in the near future.

Prevalence of xoonotic diseases

The wellbeing of human beings and the environment at large is intrinsically connected with the health of animals, be it livestock or pets. There is an increasing threat of viruses and bacteria passing from infected animals and crossing the species barrier to affect human beings, leading to pandemic situations. This increased incidence of zoonotic diseases is a key contributing factor in the growing demand for animal health products and services. Increased adoption of healthcare products to prevent diseases, focus on general well-being and meeting nutritional requirements of the animals, in addition to treating them for any illnesses, is further driving growth in the sector.

Market size estimation 2021 (US$ Billion)

North America	Europe	LATAM	India	Turkey	Emerging markets
15.5	14.5	5.5	1.1	1	15.3

Source: Research Reports, Internal Estimates

https://www.globenewswire.com/news-release/2022/04/13/2422121/0/en/Animal-Healthcare-Market-Size-to-Hit-US-76-82-Billion-by-2030.html

https://www.marketdataforecast.com/market-reports/la-veterinary-healthcare-market

https://www.marketdataforecast.com/market-reports/eu-veterinary-healthcare-market

Formulations

GROWTH ACCELERATOR

Our formulations business continues to grow, contributing to 69% of total revenues globally. LATAM and India markets delivered market beating growths. Our industry insights allow us to create a tailored portfolio of potent and diversified products that cater to the needs of animal species we serve. Our product range includes nutrition, pain management, anthelmintics, antibiotics, and gut health management products, to name a few.

Consolidation

Minority stake in Brazil business making Brazil entity fully owned by Sequent

Acceleration

100% stake in Nourrie Saúde e Nutrição Animal Ltda ('Nourrie') in Brazil

Key highlights

Tulathromycin launch

In FY21, we launched Tulathromycin, our first in-house developed injectable in Europe. FY22 was the first full year of commercialisation, and we are delighted to share that the product performed above our expectations.

Acquisitions

In February 2022 we acquired 100% stake in Nourrie Saúde e Nutrição Animal Ltda ('Nourrie') in Brazil, marking Alivira's entry into the fast-growing pet segment in Brazil, the 4th largest companion animal market in the world.

Growth drivers

Strategic investments

We have initiated work on the capability and capacity expansion of our injectable facility in Bremer, Germany, for USFDA Approval and US commercialisation, which has been delayed due to COVID-19 related travel restrictions in Europe, delaying the facility upgradation work.

Strengthening presence and expanding portfolio

The conclusion of Nourrie's acquisition marks an important milestone in the SeQuent 2.0 strategy of establishing our presence in Brazil's pet market, the fastest growing segment. Brazil is the 4th largest pet market in the world, with an estimated market size of R$ 1.8 Billion, growing annually at ~16%. The addition of Nourrie has nearly doubled the product portfolio available to Alivira for commercialisation in Brazil, with additions in both the nutraceutical and therapeutic product categories. Nourrie also brings a strong pipeline of 20 products under development, 12 of which are planned for launch in the next fiscal. Brazil has emerged as our third largest market, next only to Spain and Turkey.

1,000+
Formulations

80+
Countries

~2/3rd
Sales to regulated markets

25+
Products under development

6
Manufacturing facilities

4
R&D centres

API

A STRONG PILLAR POWERING OUR CAPABILITIES

Global animal health companies rely and trust us for our ability to deliver quality APIs. Our API facilities have a strong track record of regulatory compliance, ensuring high quality standards and service commitments that help our customers to sustain their market share.

Key highlights

Particulars	FY22 Updates/ Developments	Total Products
Commercialised	1	31
US VMF Filing	1	24
EU CEP Approvals	-	11

Growth drivers

Improved operational efficiency

With rising input material costs, a systematic cost reduction programme has been rolled out for our top products to enhance our cost competitiveness in price sensitive emerging markets. We achieved significant cost reductions for one of our top molecules, and also simplified our supply chain significantly. This cost reduction programme will continue in the next year, with enhanced focus, higher resource allocation and augmented infrastructure.

Strengthening partnerships with the large global Animal Health companies

We are now seen as a strategic supplier by Top Animal Health players, having developed commercial relationships with most of them. We also established an advisory committee, with the aim of garnering higher wallet share.

Portfolio diversification

We have been successful in broad-basing our portfolio, leading to the diversification of our revenue base across different products.

Capacity expansion

We commissioned the 7th clean room in Vizag, enhancing our capacity by ~20%.

CDMO business

We expect to drive benefits from the agreements signed with 2 Top-10 animal health companies, some of which will commence in the later part of FY23. We continue to strategically engage with top animal health companies as part of our long-term strategy.

24
US VMF filings

11
CEP approvals

~3/4th
Sales to regulated markets

8+
Products pipeline

3
Manufacturing locations

1
R&D centre

New acquisition

EXPANDING HORIZONS

The demand for pet animals has been on the rise across the world. Brazil happens to be the 4th largest companion animal healthcare market in the world. Sequent has forayed into the companion animal segment through the acquisition of Nourrie in Brazil. Nourrie specialises in the development and commercialisation of nutraceuticals and therapeutic products, with a strong commercialised portfolio and a near-term pipeline of 17 products for pets, swine and poultry. We wish to build a profitable and scalable business in the pet segment with our integrated in-house development and manufacturing capabilities. We see a potential to further augment the pet nutritional business through the launch of pet prescription products.

R$ 1.8 Bn
Brazil pet market size

23
Commercialised products

17
Products in pipeline (8 for pets)

Formulations R&D

POWER HUB OF INNOVATION

Sequent's R&D team is driving the innovation for new product development. We have strengthened our R&D capabilities by focusing on commercialisations for regulated markets. Using advance technology platforms for granulation & coating, smart tabs, soft chews, etc., we have created a wide range of API and formulations in collaboration with our partners in the agriculture, animal health, and pharmaceutical industries. Through the acquisition of Nourrie, we have increased our capacity for developing nutraceutical products.

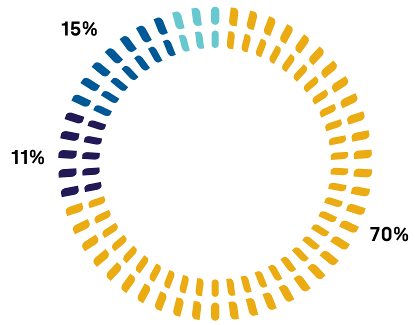
4
Global R&D centres

25+
R&D pipeline

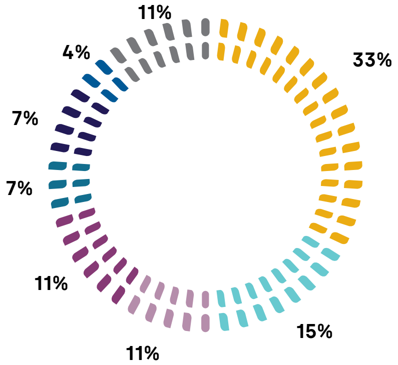
Received approval for
Tulaject Injection
in Australia, a generic of Draxxin injectable

Received approval for
Cloprostenol
injection in Europe

Basis dosage form



Basis therapeutic areas



Our R&D team has expertise in most dosage forms widely prescribed in the animal health industry such as injectables, oral solids, oral liquids, powders, premixes, etc. Our development centres located in India, Europe and LATAM serve the animal health needs of the developed and emerging markets.

Ambernath, Maharashtra
USA, European Union, Canada, Australia
Injections, suspension injections, depot injections, soluble powders, oral solutions, tablets and capsules

Barcelona, Spain
Europe
Oral solutions, soluble powder, liquid for inhalation and nutritional feeds

Turkey
Emerging and regional markets
Topical products, tablets and capsules

Brazil
LATAM
Nutritional feed supplements

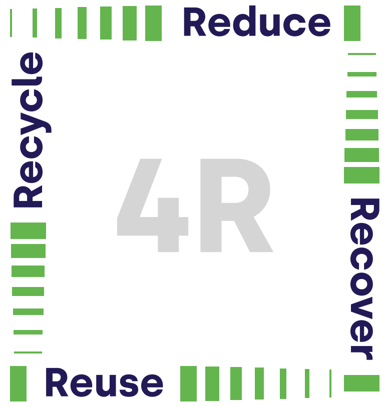
Location | Markets served | Drug Dosage forms

Sustainability

CONSERVING TODAY FOR A BETTER TOMORROW

Addressing the issue of climate change has become an absolute priority in recent years. We are conscious of the effects our operations have on the environment, and are determined to pursue sustainable growth. We strive to incorporate appropriate mitigation measures and our initiatives are designed to attain long-term benefits, contributing towards environmental sustainability.

Our production facilities are meticulously structured to minimise any adverse effects on the environment. The pandemic has yet again proven how vital the environment is and how any damage can severely impact our industry. Our commitment towards preserving biodiversity and natural ecosystem is reflected in the way we conduct business. We are working towards lessening the effects of our manufacturing operations by cutting back on the amount of raw materials used, producing less effluents, using less solvent, and switching to renewable energy sources. We have developed the 4R strategy of Reduce, Recover, Reuse, and Recycle in line with our goal of creating a greener business.



Waste

We have been able to reduce 221 MT of disposable waste through process optimisation. This reduction is 15.75% less than last year. We have partnered with companies in the cement industry to reuse incinerable solid waste and are diverting a majority of the waste generated incinerable solid waste generated is diverted and reused in the cement industry.

65%
Solid waste generated reused in cement manufacturing

Water

Water conservation needs a critical approach as it is the most indispensable part of our operations. We are recycling 100% of wastewater through Zero Liquid Discharge (ZLD) technology. We keep streamlining our production techniques to cut down on the amount of freshwater we use.

260 kL
Water Savings at Group level

23%
Water reduction - Mahad

8%
Water reduction - Tarapur

Energy

We have been on a journey to reduce our carbon footprint by substituting fossil fuels with solar energy to meet our increased energy requirements. We have installed light sensors and switched to LED lights in a bid to optimise our energy consumption.

6%
Reduction in fossil fuel consumption at Vizag

22%
Reduction in fossil fuel consumption at Mahad

We have been able to arrest 889 kg of fugitive emissions from equipment leaks, joints, and gasket leaks, with the help of leak detection and repair study.

Fugitive emissions arrested

Mahad
614 kg / year

Vizag
133 kg / year

Tarapur
133 kg / year

Social responsibility

ON THE PATH OF SELF-RELIANCE

Being a responsible corporate citizen, we place great emphasis on allocating resources to enhance the quality of people's lives. By fostering goodwill and supporting the communities among whom we operate has played a crucial part in our success story. Our interventions to improve sanitation and hygiene have a significant positive impact on the lives of our communities.

30 acres

Land under cultivation and green cover

2,500 Litre

Drinking water available per day

Project Chirag

Migration towards cities and industrial hubs have led to talent drain in the villages. It is a common sight to see that the elderly in rural communities survive on the meagre funds sent by their children, who manage to take up odd jobs in urban areas. With a view to make villages self-sufficient, we launched Project Chirag this year. The aim was to mitigate the migration in four tribal villages in Palghar, Maharashtra by providing them access to a sustainable livelihood and improved quality of life.

Providing access to a sustainable livelihood and improved quality of life

Sawade Grampanchayat

Patlipada, Kuvrepada, Pagipada, Barafpada

Number of beneficiaries: 503 villagers

The activities were divided into two parts – providing solar powered irrigation system and health and sanitation initiatives.

- Installed 10 KW solar panel to generate electricity that would operate a 7.5 HP pump for irrigation. This would immensely benefit the tribals of the village, providing them with adequate water supply for agriculture.
- Installed 8 water tanks to suffice the domestic needs of water consumption. We built a community toilet block in the village to aid the Swacch Bharat Mission. It will be instrumental in maintaining quality hygiene standards in the locality.

Glimpse of our agriculture initiative (rice field)

Glimpse of our education initiative

Solar panel installation for water lifting

Life at SeQuent

NURTURING TALENT, PROMOTING WELLBEING

Employees being our greatest asset, we work to nurture an environment that continuously creates opportunities to grow. It also contributes towards employee health and well-being. We have been able to attract and retain talent, owing to our employee-centric strategy. We take pride in providing our employees with equitable opportunities with any discrimination on the basis of gender, sexual orientation, disability, religion, age, race, and culture.

Fun at work

Celebrating festivals help raise employee morale and build camaraderie among our people. Since several members of our workforce don't live close to their family, exchanges help build relationships and create a tight-knit unit. We also organise a number of team-building activities and games at our various locations to improve communication, planning, problem-solving, and conflict resolution among cross functional teams.

At Sequent, we value the role that our female employees play in our success. Each year, we celebrate International Women's Day with great fervour and enthusiasm as a sign of respect for our women members who finely balance both the work and home front.

We value the role that our female employees play in our success

Recognition

Appreciating employees through rewards for hard work always helps in boosting their morale and productivity. It keeps them focussed and serves as a tool of achieving greater employee satisfaction. We believe that when people take pride in their work, they are motivated to own it and are more likely to complete assignments on time. A healthy peer competition powered by a rewarding structure, ensures top notch work quality.

At Sequent, a dynamic rewards and recognition programme is in place to address evolving employee needs and fulfil organisational objectives. We have been honouring our employees for their outstanding work every year. We present long service awards to recognise the dedication and commitment of our employees who have been associated with us throughout their lifetime.

Board of Directors

Dr. Kamal K. Sharma
Chairman and Independent Director

Non-Executive Vice-Chairman of Lupin, with more than 48 years of professional experience in executive positions across Chemical and Pharmaceutical industries, spanning multiple areas such as operations, corporate development, and executive management. As the Managing Director of Lupin, he was instrumental in transforming Lupin into one of the largest and fastest growing pharmaceutical generic company. Previously, he also served as President & Chief Executive of the Life Sciences and Specialty Group, and Member of the Board at RPG Enterprises. He 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 Ph.D. in Economics from IIT, Mumbai. He also attended Advanced Management Program (AMP) at Harvard Business School, Boston.

Mr. Milind Sarawate
Independent Director

Founder & CEO of Increate Value Advisors LLP. He provides advice and mentorship in business and social value creation, governance, and capability-building, leveraging his executive experience of 38 years including long stints as CFO and CHRO in Marico & Godrej, and 15 years of independent directorships in listed companies. He runs a not for- profit Company, Increate Foundation, and is on the Advisory Board of Educo, a School Support NGO. He is a Chartered Accountant, Cost Accountant, Company Secretary, and a CII-Fulbright Fellow (Carnegie Mellon University, USA). He has been awarded ICAI CFO Award, CNBC TV-18 CFO Award, and CFO India Hall of Fame induction.

Dr. Kausalya Santhanam
Independent Director

Dr. Santhanam is a registered patent agent with the United States Patent and Trademark Office (USPTO) and India. After eight years of research experience in India and the US, she joined the Intellectual Property Department with CuraGen Corporation, a biopharmaceutical company in the US. She has considerable experience in designing patent strategies. She is currently advising as an IP consultant to biotechnology and biopharmaceutical corporates in India and the US. Her experience in the IP space is of immense benefit to the Company, in the backdrop of increased R&D initiatives.

COMMITTEES OF THE BOARD OF SEQUENT SCIENTIFIC LIMITED

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Ethics and Governance Committee
- Banking Committee
- Ⓒ Chairperson of the committee
- Ⓜ Member of the committee

Dr. Fabian Kausche
Non-Executive Director

Chairman of the Board of PetMedix, Cambridge. He also owns and runs FK Consulting, LLC, Atlanta, USA. He brings several decades of experience in the animal and human health pharmaceutical industries in the biological and R&D functions. He has held several leadership positions as the Global R&D Head for Novartis Animal Health, Merial, and Boehringer Ingelheim Animal Health, and Novartis Consumer Health, the human health division. He also successfully led the companion animal sales force for Novartis Animal Health in the US. Dr. Kausche received a veterinary degree from the Hannover Veterinary School and did his Masters of Science degree from Iowa State University. Subsequently, he has also completed the Advanced Management Program from Harvard Business School, Boston, in 2005.

Mr. Gregory John Andrews
Non-Executive Director

A multi-disciplinary executive with 30+ years of experience in the pharmaceutical industry. Instrumental in creating value through active engagement with all stakeholders. Currently, a global animal health consultant, has offices in the US and France. Previously held executive positions with three major animal health companies where he gained global experience living and working in Australia, Belgium, France and the USA.

His core disciplines are marketing, communications, and management. He has been associated with Virbac as their Director for Global Marketing, and previously headed the Global Public Affairs & Policy function for Pfizer Animal Health during the transition to Zoetis. He has also held numerous senior management roles including country management for Belgium and the Netherlands and was Vice President for emerging markets in Europe, Africa, Middle East, Russia and CIS.

Mr. Gregory John Andrews has a Bachelor's of Science (Hons.) from Monash University, Australia, and Post Graduate Diplomas in Business Management and International Relations from the University of Tasmania, Australia.

Mr. Neeraj Bharadwaj
Non-Executive Director

Managing Director of Carlyle India focused on large growth capital and buyout opportunities. Prior to joining Carlyle, he has led and managed multiple companies and has been involved in numerous investments including Apollo Hospitals, Jamdat, Widerthan, NXP among others. He has also worked with McKinsey & Co. as an engagement manager in the past. 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.

Board of Directors (Continued)

Mr. Rahul Mukim
Non-Executive Director

Rahul is a Director at Carlyle India, focused on India buyout opportunities. Prior to joining Carlyle, he was a Director at Olympus Capital, where he looked after India-focused growth investments in healthcare and financial services. Earlier, Rahul also worked at Morgan Stanley's hedge fund called Frontpoint, and at ICICI Venture (an India-focused Private Equity Fund). He received an MBA degree from IIM Lucknow and completed his Bachelor's degree in Computer Engineering from VJTI, Mumbai.

Mr. Rajaram Narayanan
Managing Director and Chief Executive Officer

Mr. Rajaram Narayanan has 25+ years of experience with a strong track record of leading revenue and profitability growth across multiple industries, including pharmaceuticals. He was previously associated with Sanofi India Limited, as the Managing Director and Country Chair, India, where he led the strategic reorientation of business operations, resulting in accelerated growth in key therapies and significant transformation of market operations. Prior to that, he was the Chief Marketing Officer at Airtel, India's leading telecommunications company after having worked for 18+ years at Hindustan Unilever Limited in various leadership roles in India and other Asian markets. Mr. Rajaram holds a Degree in BE (Hons)-Electrical & Electronics from BITS, Pilani, MBA from IIFT-Delhi and Advanced Management Program from Harvard Business School, USA.

Mr. Sharat Narasapur
Joint Managing Director

Mr. Narasapur has 30+ years of experience in the Chemical, Agrochemical, and Pharmaceutical industries. He has worked in executive positions in several companies including Dr. Reddy's, Gharda Chemicals, Aurobindo Pharma, and holds a degree in Chemical Engineering from the Institute of Chemical Technology, Mumbai. He leads the API business spanning multiple areas within the techno-commercial operations involving management of large multilocation chemicals and API manufacturing operations, R&D, regulatory and supply chain functions for the group.

Leadership Team

Mr. Rajaram Narayanan
Managing Director and Chief Executive Officer

Mr. Sharat Narasapur
Joint Managing Director

Mr. Patri Venkat Raghavendra Rao
Chief Financial Officer

Mr. Prasad Lad
Human Resources

Mr. Ashish Kakabalia
Business Development and R&D

Mr. Ramon Vila
Europe Operations

Mr. Sirjiwan Singh
Technical Operations

Mr. Allan Kelly
United States Operations

Mr. Jose Nunes Filho
Latin America Operations

Mr. Alexis Goux
Global Formulations

Mr. Murat Mentes
Turkey Operations

Mr. Yawar Abbas
Emerging markets

Management Discussion and Analysis

Macro-Economic Overview

The global economy grew by 3.4% as estimated by the United Nations World Economic Situation and Prospects 2022, following a tumultuous 2020 where the world witnessed wide-scale economic contraction. The global economy started showing signs of recovery and returning to an estimated 5.5% growth in 2021. Global GDP in the first quarter was stronger, reflecting continued adaptation of economic activity to the pandemic. Momentum weakened in the second quarter, weighed down by widespread outbreaks across several emerging markets and developing economies (IMF World Economic Outlook 2021).

Advanced and emerging economies attained substantial vaccination coverage for their populations, enabling the economies to come out of their lockdowns. Sizable fiscal support helped cushion some of the adverse economic impacts of the pandemic. However, several challenges in the macro-economic environment, such as commodity price inflation, subdued employment growth and rising debt levels confronted the global economy as well. Global energy prices surged in the second half of 2021, particularly for natural gas and coal, owing to recovering demand but constrained supplies. Global inflation increased to 5.2% in 2021, majorly due to persistent supply chain bottlenecks and rising freight costs across the globe, impacting global production and trade, pushing up prices of commodities and goods further. Food prices shot up significantly in 2021, reaching their highest levels in a decade, with sharp increases in prices of inputs such as vegetable oils, cereals, and dairy prices. The subsequent Covid-19 waves during the year continued to impact consumer demand, albeit to a limited degree when compared to the initial period of the pandemic. Rising geo-political tensions amid the Russia-Ukraine conflict meant global economic recovery was to remain uncertain in the near term, with supply side strains, increasing inflation, financial stress, as well as climate-related changes.

Animal Healthcare

Fundamentally, the animal healthcare sector is categorised across three segments – pharmaceuticals, veterinary services, and medical devices. The industry caters to the needs of production animals, including cattle, pigs, poultry, sheep, and companion animals such as dogs, cats, horses, among others. North America continues to be the largest segment for animal healthcare, with major corporations collaborating to improve their research and development skills and assure high-quality standards.

According to a Mordor Intelligence report, the European veterinary healthcare market was valued at $8.3 Billion in 2021 and is expected to grow at a CAGR of 6.61% between 2022 and 2027. Majorly, the growth in the European veterinary market can be attributed to rising animal adoption in European countries, coupled with increasing initiatives by various governments and improved animal healthcare. According to a Markets and Markets report, the APAC animal health market is projected to reach a $22.1 Billion by 2025 from $15.6 Billion in 2020, growing at a CAGR of 7.2% during the forecast period. Rapid rise in livestock population, increasing awareness on animal health, and rising frequency of animal disease outbreaks are expected to drive the growth of the APAC animal health market. Restrictions on the use of parasiticides in food-producing animals, shift toward vegetarian diets, and the rising cost of storage of animal vaccines may pose challenges to the prospects.

Opportunities

The global animal healthcare market was estimated at $ 53 Billion (Source: https://www.globenewswire.com/news-release/2022/04/13/2422121/0/en/Animal-Healthcare-Market-Size-to-Hit-US-76-82-Billion-by-2030.html) in 2021 and is forecasted to grow at a CAGR of ~5% between 2022 and 2027. Substantial rise in demand for animal protein and increase in prevalence of food-borne and zoonotic diseases globally are driving the growth of this industry, promoting companies in undertaking consistent efforts to control pathogen contamination risks by producing quality pharmaceutical products.

Production Animals

Production animal as a segment was valued at $33 Billion in 2021, and is estimated to reach $39 Billion by 2027, driven by increasing consumption of milk, meat, and other animal by-products. The segment has always been a shining performer in the animal health market, with a revenue share of ~62% in 2021, led by increasing food safety concerns among consumers and government healthcare organisations. Policymakers worldwide are striving to attain food security by boosting large-scale food production and hence, greater rearing of livestock.

Companion Animals

Growing household income and discretionary spending contributed to the soaring pet culture. Factors like increased urbanisation, nuclear families, families with fewer or no children are creating a need for social support. With rising companion animal ownership, pet parents are also becoming aware consumers of pet nutrition and health who routinely seek veterinary services, driving the growth of this segment further.

Trends in Animal Healthcare

The future of the animal healthcare industry is likely to be shaped by the following:

1. **Emphasis on animal nutrition:** Animal healthcare companies will focus increasingly on catering to companion animals and their day-to-day needs as well as animal feed products for farm animals. The animal husbandry segment is witnessing the highest ever demand for its products, which is driving the growth of the production animal healthcare segment.

2. **Growing Digitisation:** Rising internet penetration, customer convenience focus, and inclination towards discounted medicine prices will be among the growth drivers for the digital segment, that may lead to an increase in the demand for animal healthcare products, thereby increasing the demand from e-commerce segment at a CAGR of 4.8% till 2027.

3. **Increasing pet adoption:** While pet adoption rates were already high in developed countries, recent trends indicate increased adoption of pets by families in developing countries. This growth is driven by several factors, such as rising disposable income among middle-income households, coupled with social companionship needs influenced by lockdowns and physical distancing, and changing attitudes towards pets. Consumers are influenced by varying trends around them in areas of health and wellness and are keen to ensure that their pets receive products with filled with wholesome nutrition and medical care.

About SeQuent Scientific Limited

Over the last few years, Sequent Scientific Limited has emerged as India's largest animal health company, with presence in 100+ countries. Our nine manufacturing facilities across India, Spain, Germany, Brazil, and Turkey have approvals from top global regulatory bodies, including USFDA, EUGMP, WHO, TGA, among others. We offer a comprehensive portfolio across animal health Finished Dose Formulations, Active Pharmaceutical Ingredients (APIs), as well as analytical services to the pharmaceutical and life sciences industries.

Business Performance Review

Key business areas of the Company:

1. **Active Pharmaceutical Ingredients (APIs)**

Key Highlights

Particulars	FY22 Updates/ Developments	Total Products
US VMF Filing	1	24
EU CEP Approvals	-	11

Growth Drivers

a. Deepening relationship with the Big 4 Animal Health players - recently signed first long-term master supply arrangement with a global player, expected to drive growth in coming years

b. Strengthening partnerships and setting up of an advisory committee to garner higher wallet share from the top 10 animal heath companies

c. Portfolio diversification with successful broad basing of revenues

d. Expanding capacity by ~20% through the commissioning of a 7th clean room at Vizag

e. Signing of a CDMO Agreement with a large animal health company to drive revenues and enhance collaboration

Formulations

Key Highlights

a. **Tulathromycin:** In FY21, the Company launched Tulathromycin in Europe, first injectable developed in-house. The year gone by was the first full year of commercialisation and the product performed well ahead of our expectations

b. **Acquisitions:** Acquired 100% stake in Nourrie Saúde e Nutrição Animal Ltda ('Nourrie') in Brazil, marking Alivira's entry into the fast-growing pet segment in Brazil, the 4th largest companion animal market in the world

c. **Consolidation:** The Company acquired residual stake of minority shareholders in Brazil to consolidate the operations, thereby reflecting growing confidence on our existing business and excitement for the future. This follows on from the entity consolidations in Turkey, Netherlands and Belgium in FY20-21, building on the Company's strong track record of successfully acquiring, integrating and consolidating global businesses

Growth Drivers

a. **Entry into U.S. market:** The Company initiated work on the capability and capacity expansion of injectable facility in Bremer, Germany for USFDA Approval and US commercialisation, which has been delayed due to Covid related travel challenges to Europe besides deferral of facility upgradation work

b. **Deepening presence and expanding portfolio:** The conclusion of Nourrie's acquisition marks an important milestone in Sequent 2.0 strategy of establishing presence in Brazil's pet market, the fastest growing segment. Brazil is the 4th largest pet market in the world, with an estimated market size of BRL 1.8 Billion, growing annually at ~16%. The addition of Nourrie nearly doubled the product portfolio available to Alivira for commercialisation in Brazil, with additions in nutraceutical and therapeutic product categories. Nourrie also brings a strong pipeline of 20 products under development, 12 of which are planned for launch in the next fiscal.

Analytical Services

SeQuent Research Limited (SRL), the Company's wholly owned subsidiary is a Contract Research Organisation focusing on analytical and development services. The USFDA approved analytical service centre is in Mangaluru. With ~70 scientists, SRL has developed robust capabilities in instrumental analysis, wet laboratory research, trace element analysis, and a Laboratory Information Management System (LIMS) complying with the latest regulatory standards and guidelines.

Focus Markets and Opportunities

The Company is ensuring global food security for the world's ever-increasing population with a focus on becoming a value leader in the sector. It has established presence in countries with significant animal health population & believes in the immense potential these markets have to offer.

INDIA

Market Statistics

- The Indian animal health market is estimated at $1.1 Billion and expected to grow at a CAGR of ~9%
- Livestock contributes ~4% to India's GDP, making it a crucial farm activity for large rural population

Presence and Performance

Over the years, SeQuent expanded presence in the ruminants & poultry segment. The business performed exceptionally well in FY22, growing by 30.5% on a YoY basis from ₹782 Million to achieve landmark revenues of ₹1,021 Million in FY22. This growth allowed Alivira to further strengthen itself in the Indian market and service much larger number of customers.

India has emerged as a key strategic market for the Company, with significant potential to support our growth plans. We remain focused on addressing customer needs by providing research-based products and services.

Growth Drivers

- The Company established sales presence in 8 new headquarters with the aim of expanding presence
- Launched new products to drive the growth momentum
- Strengthened the techno-commercial and marketing teams with onboarding of skilled resources, thereby building internal capabilities to sustain growth over the long term

EUROPE

Market Statistics

- Second largest animal health market and is expected to grow at a CAGR of ~5%
- Growth is expected to be driven by increasing pet ownership, high disposable income, and the growing need for efficient animal husbandry practices to meet the demand for meat protein

Presence and Performance

- The business grew marginally by ~1% on a YoY basis owing to supply chain pressures, slowdown in demand and overall challenges in the macro-environment.

Growth Drivers

- The Company initiated upgradation of German facility with the aim of servicing future demand in the growing European market along with US commercialisation plans. For success of this critical project, which has the potential to drive Alivira's growth as a powerhouse of sterile injectables manufacturing for regulated markets, the Company is taking significant steps to ensure on-time completion
- Recorded healthy growth in Benelux region, validating the Company's focus in this part of Europe
- Extending the available portfolio for commercialisation in Italy with the aim of entering new segments. This is an outcome of the resilient performance of the business through supply chain disruptions and inflationary pressures
- Implemented SAP in Benelux to streamline the operations

TURKEY

Market Statistics

- Turkey is estimated to have approximately 17 Million cattle, 42 Million sheep, and 11 Million goats as per population data of 2020

Presence and Performance

- SeQuent is the third largest animal health company, and the largest player with domestic manufacturing of products, which offers a distinct advantage to the Company
- The Company has two manufacturing plants in Tuzla, Istanbul & Polatli, Ankara, which comprise of multiple manufacturing lines for various dosage forms, including injectables, oral solutions, aerosols and tablets catering to the ruminant segment

Growth Drivers

- During the year, the manufacturing plant received EUGMP certification for the newly constituted Tablets line. This is in-line with the strategy of leveraging Turkey as an export base for EU markets and consequently take advantage of currency depreciation as a high-quality local manufacturer, coupled with de-risking part of operations dependent on imports from further currency fluctuations

LATIN AMERICA

Market Statistics

- As of 2021, Latin America accounted for ~12% share of the global animal healthcare market and is expected to grow at a CAGR of 5.5% till 2025

Presence and Performance

- The Company has strengthened direct presence in key animal health markets
- The Brazilian facility primarily manufactures oral dosages
- The business performed exceptionally well during the year supported by new launches and in-licensing of products across multiple product categories

Growth Drivers

- During the year, the shareholding of existing minority partners in the local subsidiary was consolidated by the Company. This reflects a growing confidence in the business potential & faith in the existing team who have been instrumental in driving a stellar business performance
- Entered the fast growing pet segment, the 4th largest companion animal market globally by acquiring a 100% stake in Nourrie Saúde e Nutrição Animal Ltda (Nourrie) in Brazil, which specialises in the development and commercialisation of nutraceuticals and therapeutic products, with a portfolio of 23 commercialised products for pet and swine, and a near-term pipeline of 17 products. The business is well established with integrated R&D and manufacturing setup, complementary to Alivira's existing local capabilities. The Company also manufactures Transuin, a Ractopamine based product for swine, a key product in Alivira Brazil's portfolio.

EMERGING MARKETS

Presence and Performance

We market our products across several Emerging Markets. In FY21, we adopted a conservative approach in these markets due to stagnant collections, uncertain impact of lockdowns, and local currency fluctuations against the U.S. dollar. However, in FY22, the business is back to the pre - pandemic growth led by South Africa, the Middle East & Southeast Asian regions.

Global presence and marketing

In all our strategic markets, we have a local sales force which consists of technical veterinary experts as well as sales executives. Over the years, we have expanded the reach of our portfolio to more than 80 countries through a judicious mix of direct sales presence and distributor model. The said distribution channels further enable us to effectively serve a much larger customer base in the markets where we don't have direct on-ground presence through own field-force.

In several main markets, like Europe and Turkey, we have a local sales force which consists of technical and veterinary operations experts supplemented by sales executives. Over the years, we have expanded the reach of our portfolio to more than 80 countries through a judicious mix of direct sales presence and distributor model. The said distribution channels enable us to effectively serve our customers where we don't have direct on-ground presence through own field-force.

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 Capabilities: API facility with reactor capacity of 270 kL with seven clean rooms
	Mahad, India	Approvals: EU GMP, COFEPRIS Mexico and WHO Capabilities: 23 reactors having a cumulative capacity of 80 kL
API Intermediates	Tarapur, India	Approvals: cGMP Capabilities: Facility with reactor capacity of 64 kL with two clean rooms
Formulations	Spain	Approvals: EU GMP Capabilities: Liquids - oral solutions/suspension and solids (powders) – beta lactam and non-beta lactam antibiotics Specialises in nutrition products - veterinary premixes
	Germany	Approvals: EU GMP Capabilities: Sterile injectable including beta-lactam and hormones, oral liquids, and oral powders
	Turkey	Approvals: EU GMP and Turkish GMP Capabilities: Multiple dosage forms including Beta-lactam & non-beta lactam injectable solutions/ suspensions, intra-mammary, oral solutions/ suspensions, aerosol and pour- on
	Brazil	Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Oral solutions, oral powders and drug premixes
		Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Nutritional additives, premix, tablets, paste and suspensions
	Ambernath, India	Approvals: India, Uganda, Ethiopia, and Kenya Capabilities: Granules for injections and oral liquids

Employees

The Company's 1900+ employees are the foundation of our business, and we focus on providing them with equal opportunity and supporting them to achieve greater success in their career. All throughout managing our business functions, our primary emphasis in COVID times was on the "safety and well-being" of our team, which is the foundation of our employee first approach and will continues to be our priority going forward.

Employee Stock Option Plan (ESOP)

The accounting for the said scheme is to be done as per the fair value method determined by the Black Scholes model for option valuation. The accounting impact of the said ESOP issuance would range between ₹1.6 Billion to ₹1.85 Billion depending upon the then prevailing stock price, the time value and the vesting period.

Governance

Ethics & Governance Committee

The Company has formed an Ethics & Governance Committee for overseeing policies on Anti-Money Laundering, Anti-Bribery and Corruption (ABAC), Counter Terrorist Financing, Whistle Blower Policy, Prevention of Sexual Harassment (POSH) and Insider Trading. The Company conducts regular awareness programs to make its employees familiar with the above mentioned policies. During the year, the Company has conducted the following trainings:

1) SeQuent Values & Whistle Blower Policy for employees
2) Code of Conduct & Code of Ethics for employees
3) Prevention of Sexual Harassment at Workplace
4) Learning Management System based Training Program on
    a) Anti-Corruption Compliance Policy
    b) Economic Sanctions Compliance Policy
    c) Anti-Money Laundering & Counter Terrorist Financing Compliance Policy

Policy on Prevention of Harassment and Discrimination

The Company is committed to promoting a working environment free from discrimination, harassment and intimidation. Therefore, the Company has established a Sexual Harassment Prevention Committee (SHPC) for every location, that will hold a meeting within five days of the receipt of any complaint in a confidential manner. The Company has conducted trainings on Prevention of Sexual Harassment at different locations during the year.

There were no cases reported to the Sexual Harassment Prevention Committee during the year under review.

SeQuent Whistle Blower Policy

The Company has formulated a Whistle Blower Policy for the purpose of reporting any improper or unethical behaviour/ practices or alleged wrongful conduct or violation of Code of Conduct of the Company or applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company funds or assets within the Company or by the Company. In the event of a leak of unpublished price sensitive information or a suspicion of a leak of unpublished price sensitive information, policies and procedures for investigation have been established. The company's hiring and other personnel policies include the clause for shielding "whistle blowers" from wrongful termination and other discriminatory employment practices.

The Company affirms that in FY22, it has not denied any personnel access to the Whistle Blower Mechanism.

Anti-Corruption Compliance Policy

The Company has formulated and adopted the Anti-Corruption Compliance Policy as applicable in the jurisdiction of the country where it operates, which applies to all directors, officers, as well as full-time, part-time and temporary employees of the Company. This Policy, along with the internal controls herein have been designed to prevent bribery or any sort of wrongdoings from occurring, and enable the Company to respond promptly and effectively to any inquiries about its conduct and the conduct of those acting on the Company's behalf.

Anti-Money Laundering & Counter Terrorist Financing Compliance Policy

This Anti-Money Laundering & Counter Terrorist Financing Compliance Policy as applicable in the jurisdiction of the country where it operates, defines responsibilities and policies for Sequent Scientific Limited and all of its subsidiaries and affiliates with regard to avoiding money laundering and terrorist financing activities. The Company is committed to compliance with all applicable laws and regulations related to combating money laundering and terrorist financing.

Economic Sanctions Compliance Policy

The Company's Economic Sanctions Compliance Policy as applicable in the jurisdiction of the country where it operates, provides the framework for this commitment and is designed to communicate the Company's culture of compliance to all directors, officers, employees, agents, representatives, and other associated persons of the Company and third parties, which include entities or persons with authority, or who can reasonably be perceived as having the authority, to interact with others on behalf of the Company.

Environment, Health and Safety (EHS)

We consider EHS as the responsibility of management and the employees. We conduct our operations keeping in mind the impact it would have on Environment, Health, and Safety of Employees, Customers and the Community.

Also we have incorporated an EHS policy under which we are committed to comply with all the statutory requirements covered in EHS. We aim to foster a sense of responsibility for EHS among our employees along with imparting appropriate training and sharing information to develop their EHS skills so that every employee can comply with the EHS laws applicable to his/her area of operations.

We strive for continual improvement in our EHS performance and measure progress and verify compliance through management reviews and audits.

Threats, Risks and Concerns

The company faces a variety of risks in the conduct of its business, which are discussed below, along with their mitigants.

Regulatory risks	An adverse facility inspection by any regulatory body may cause restriction in sales to certain customers or associated geographies.
Measures undertaken	We have established systems to monitor compliance at all times. Our employees receive training on compliance updates for confirming to them at all times.
Environment, Health and Safety (EHS)	Because the Company's manufacturing activities involve sophisticated chemical reactions, there are risks associated with operational safety and environmental compliance.
Measures undertaken	The company's policies and practises are established and reviewed on a regular basis to ensure that they comply with all applicable environmental, health, and safety standards. The company focuses on optimally using its resources and continually update its processes to reduce the environmental effect of its operations, products, and services.
Currency volatility risks	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.
Measures undertaken	The Group manages its foreign currency risk by hedging transactions in geographies where its operations are in currencies other the local currency.
Interest rate risk	The Group's borrowings are on a floating rate basis, hence any changes in interest rates can have an influence on the company's performance. All the local entities of the Group borrow in local currencies tied to the respective base rates in line with their domestic businesses.
Credit Risk	The Company's financial assets are subject to credit risk. The customers' credit terms vary depending on market factors in different parts of the world. Financial assets are also subject to counterparty credit risk.
Measures undertaken	The organisation examines receivables ageing in each geography on a regular basis. Credit restrictions based on a standard model have been established, along with a suitable Delegation of Authority (DOA) matrix for releasing credit blocks.
Liquidity risks	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.
Measures undertaken	The Company targets low leverage ratios to ensure that low liquidity risk.
Information Technology & Cyber Security Risks	For its global operations, the Group is heavily reliant on IT systems.
Measures undertaken	IT infrastructure monitoring and review, database management, IT policy, cyber security, and compliance are all localised, so any threat to infrastructure or data is addressed locally.
Market risks	Market risks are the possibilities of losses as a result of price fluctuations. Market risks are the possibilities of losses as a result of price fluctuations. Geopolitical events, foreign exchange fluctuations, worldwide pandemics, and other events can all have an impact on market movements.
Measures undertaken	The Board evaluates the Company's investments from a long-term strategic viewpoint, while the Company monitors geopolitical risk on a continuous basis.

Risk Management and Internal Control

In line with the requirements under the SEBI LODR, the Company has constituted a Risk Management Committee of the Directors. The Members of the Committee are Mr. Neeraj Bharadwaj (Chairman), Mr. Milind Sarwate (Member), Mr. Rajaram Narayanan (Member) and Mr. P. V. Raghavendra Rao (Member). A meeting of the Risk Management Committee was held on September 23, 2021 and March 21, 2022 in which the current Risk Management process was evaluated and ways and means of strengthening the same were discussed.

Financial Review

Consolidated Balance Sheet for the year ended March 31, 2022

(In ₹ Million)

Particulars	F.Y. 2021-22	F.Y. 2020-21	Movement
ASSETS			
1. Non-current assets			
a) Property, plant and equipment	2,200.53	2,173.19	27.34
b) Right-of-Assets (ROU)	964.77	1,017.54	(52.77)
c) Capital work-in-progress	88.13	287.83	(199.70)
d) Goodwill	1,853.08	1,742.01	111.07
e) Other intangible assets	531.27	423.85	107.42
f) Intangible assets under development	28.19	20.06	8.13
g) Financial assets			
i. Investments	367.91	769.39	(401.48)
ii. Other financial assets	108.29	48.94	59.35
h) Deferred tax assets (net)	291.98	205.07	86.91
i) Income tax assets (net)	104.82	91.76	13.06
j) Other non-current assets	8.97	10.10	(1.13)
Total non-current assets	**6,547.94**	**6,789.74**	**(241.80)**
2. Current assets			
a) Inventories	3,479.74	2,643.57	836.17
b) Financial assets			
i. Investments	14.37	56.55	(42.18)
ii. Trade receivables	3,292.41	3,461.37	(168.96)
iii. Cash and cash equivalents	574.96	537.44	37.52
iv. Bank balances other than (iii) above	17.57	24.52	(6.95)
v. Loans	2.52	1.90	0.62
vi. Other financial assets	11.71	107.63	(95.92)
c) Income tax assets (net)	7.69	4.53	3.16
d) Other current assets	466.04	298.34	167.70
Total current assets	**7,867.01**	**7,135.85**	**731.16**
Total assets	**14,414.95**	**13,925.59**	**489.36**
EQUITY AND LIABILITIES			
I. Equity			
a) Equity share capital	496.74	496.74	-
b) Other Equity	6,427.33	6,779.77	(352.44)
Equity attributable to owners of the Company	**6,924.07**	**7,276.51**	**(352.44)**
c) Non-controlling interest	480.06	486.65	(6.59)
Total equity	**7,404.13**	**7,763.16**	**(359.03)**
II. Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
i. Borrowings	1,224.55	937.06	287.49
ii. Lease Liabilities	418.52	453.97	(35.45)
iii. Other financial liabilities	16.10	-	16.10
b) Provisions	163.82	93.24	70.58
c) Deferred tax liabilities (net)	59.85	69.30	(9.45)
d) Other non-current liabilities	6.77	8.69	(1.92)
Total non-current liabilities	**1,889.61**	**1,562.26**	**327.35**
2. Current liabilities			
a) Financial liabilities			
i. Borrowings	1,924.36	1,309.91	614.45
ii. Trade payables	2,580.45	2,269.10	311.35
iii. Lease Liabilities	81.57	68.90	12.67
iv. Other financial liabilities	208.15	473.60	(265.45)
b) Provisions	73.05	69.12	3.93
c) Current tax liabilities (net)	82.34	226.55	(144.21)
d) Other current liabilities	171.29	182.99	(11.70)
Total current liabilities	**5,121.21**	**4,600.17**	**521.04**
Total liabilities	**7,010.82**	**6,162.43**	**848.39**
Total equity and liabilities	**14,414.95**	**13,925.59**	**489.36**

Non-current assets

Goodwill

During the year, goodwill has been increased by ₹235.29 Million on account of new business acquisition in Brazil which is offset by ₹124.22 Million due to foreign currency translation impact.

Other intangible assets

Other intangible assets increased from ₹423.85 Million in F.Y. 2020-21 to ₹531.27 Million in F.Y. 2021-22 on account of aforesaid new business acquisition in Brazil.

Non-current investments

The decrease in non-current investments from ₹769.39 Million in F.Y. 2020-21 to ₹367.91 Million in F.Y. 2021-22 is the impact of mark to market (MTM) adjustment of equity investments in Solara Active Pharma Science Limited.

Current assets

Inventories

Increase in inventories from ₹2,643.57 Million in F.Y. 2020-21 to ₹3,479.74 Million in F.Y. 2021-22 is on account of built-up Inventory basis sales plan for the current year.

Other current financial assets

The decrease in other current financial assets from ₹107.63 Million in F.Y. 2020-21 to ₹11.71 Million in F.Y. 2021-22 is on account of realisation of export incentives accrued up to December 2020.

Other current assets

The other current assets have increased from ₹298.34 Million in F.Y. 2020-21 to ₹466.04 Million in F.Y. 2021-22 is on account of increase in input GST credits.

Equity

Other Equity

The decrease in other equity from ₹6,779.77 Million in F.Y. 2020-21 to ₹6,427.33 Million in F.Y. 2021-22 is primarily due to impact of foreign currency translation adjustment of ₹728.17 Million and impact of MTM adjustment on equity investments by ₹353.91 Million which is party off-set by ₹412.51 Million on account of profits for the year.

Non-current liabilities

Long-term borrowings

The increase in long-term borrowings from ₹937.06 Million in F.Y. 2020-21 to ₹1,224.55 Million in F.Y. 2021-22 is due to additional borrowings to acquire non-controlling stake consequent to exercise of Put Option by such stake holders and additional borrowings for new business acquisition in Brazil.

Current liabilities

Current borrowings

The increase in current borrowings from ₹1,309.91 Million in F.Y. 2020-21 to 1,924.36 Million in F.Y. 2021-22 is due to additional funds drawn for working capital requirements.

Trade payables

The increase in trade payables from ₹2,269.1 Million in F.Y. 2020-21 to 2,580.45 Million in F.Y. 2021-22 is in line with business growth.

Other financial liabilities

Decrease in other current liabilities from ₹473.6 Million in F.Y. 2020-21 to 208.15 Million in F.Y. 2021-22 is on account of discharge of put option liability.

Consolidated statement of Profit and Loss for the year ended March 31, 2022

(In ₹ Million)

Particulars	F.Y. 2021-22	F.Y. 2020-21	% change
Revenue from operations	14,128.16	13,616.15	4%
Other Income	108.45	83.63	30%
Total Income	**14,236.61**	**13,699.78**	**4%**
Expenses			
Cost of materials consumed	6,705.22	5,886.65	14%
Purchases of stock-in-trade	1,718.89	1,450.19	19%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(494.15)	(390.27)	27%
Employee benefit expenses	2,313.68	1,872.23	24%
Finance costs	157.74	243.83	-35%
Depreciation and amortisation expenses	510.85	505.98	1%
Other expenses	2,790.52	2,676.65	4%
Total expenses	**13,702.75**	**12,245.26**	**12%**
Profit before exceptional items and tax	**533.86**	**1,454.52**	**-63%**
Exceptional item	-	88.23	
Profit before tax	**533.86**	**1,366.29**	**-61%**
Tax expenses	83.26	321.77	-74%
Profit after tax	**450.60**	**1,044.52**	**-57%**
Profit after tax for the year attributable to:			
- Owners of the Company	412.51	954.42	-57%
- Non-controlling interest	38.09	90.10	-58%

Revenue from operations

Revenue from operations have increased from ₹13,616.15 Million in F.Y. 2020-21 to ₹14,128.16 Million in F.Y. 2021-22 on account of normal business growth which is off-set due to impact on foreign currency translation in Turkey business operations.

Cost of materials consumed

The cost of materials consumed as a percentage of net sales has increased by 511 bps largely on account of increase in raw material costs for API business and Spain business operations.

Employee benefit expense

The employee benefit expense has increased from ₹1,872.23 Million in F.Y. 2020-21 to ₹2,313.68 Million on account of new ESOP scheme and for normal increments during the year.

Finance costs

Decrease in finance cost from ₹243.83 Million in F.Y. 2020-21 to ₹157.74 Million in F.Y. 2021-22 is on account of decrease in net borrowings during the first three quarters of the year.

Tax expenses

Decrease in tax expenses from ₹321.77 Million in F.Y 2020-21 to ₹83.26 Million in F.Y. 2021-22 is due to reversal of tax provision of earlier years ₹120.30 Million.

Risk Management and Internal Control

In line with the requirements under the SEBI (Listing and Disclosure Requirements) Regulations, 2015 the Company has a Risk Management Committee of the Directors.

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

Additionally, PwC, 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.

Key Ratios

Ratio	FY22	FY21
Debtors Turnover Ratio (Days)	85	93
Inventory Turnover Ratio (Days)#	90	71
Interest Coverage Ratio*	4.38	6.97
Current Ratio	1.54	1.83
Debt Equity Ratio**	0.37	0.22
Operating Margin Ratio*	7.74%	15.88%
Net Profit Margin*	3.17%	7.62%
Return on net worth (RONW)*	5.96%	14.51%

#Increase in inventory turnover ratio due to build-up of inventory for future sales plan.

*The Margin Ratios and RONW were impacted in FY22 due to increase in input material costs and ESOP costs

**Increase in debt equity ratio mainly due to debt taken for acquisition in Brazil.

Glossary of few terms used across this report

- **API:** Active Pharmaceutical Ingredient means the active ingredient contained in medicine
- **Formulations:** Formulation is defined as a mixture that is prepared according to a specific procedure (called a 'formula'). Formulations are made for particular applications and are normally more effective than their individual components when used singly.
- **cGMP:** Current good manufacturing practices are defined by the FDA as systems to assure proper design, monitoring, and control over manufacturing processes and facilities in pharma and other FDA-regulated industries
- **EUGMP:** The highest recognition available by companies in the pharmaceutical space in the European Union
- **Betalactam:** Any of the large class of natural and semisynthetic antibiotics (as the penicillins and cephalosporins) with a lactam ring
- **Swine:** Pig
- **Livestock:** Animals kept on a farm
- **Companion animal:** Pet or other domestic animal
- **Production animal:** An animal which provides output of sale value other than its progeny
- **Animal husbandry:** A branch of agriculture concerned with animals that are raised for meat, fiber, milk, eggs, or other products
- **Poultry:** Live or slaughtered domesticated bird
- **Poultry products:** Poultry which has been slaughtered for human food
- **Animal protein:** Nitrogenous material found in animals
- **Feed supplements:** Animal feeding product that contains added protein or urea or both; designed to be used in conjunction with other animal feeding items
- **Feed additives:** Products used in animal nutrition for purposes of improving the quality of feed and the quality of food from animal origin, or to improve the animals' performance and health
- **Antibiotics:** Medicine that inhibits the growth of or destroys microorganism
- **Disinfectants:** Chemical agents designed to deactivate or destroy microorganisms on inert surfaces
- **Antibacterial:** Anything that destroys bacteria or suppresses their growth or their ability to reproduce
- **Anthelmintic:** Medicines used to destroy parasitic worms
- **Ruminant:** Mammals that are able to acquire nutrients from plant-based food by fermenting it in a specialised stomach prior to digestion, principally through microbial actions
- **Bioequivalence:** Property wherein two drugs with identical active ingredients or two different dosage forms of the same drug possess similar bioavailability and similar effect at the site of physiological activity
- **Nutritional feed-add:** Extra nutrients or drugs for acceleration of the growth of livestock
- **Parasitic:** An animal or plant that lives on or in as well as feeds on another animal or plant of a different type
- **Mastitis:** Inflammation of breast tissue that sometimes involves an infection
- **Infertility:** Disease of the reproductive system due to which person or animal is not able to have babies or produce offsprings
- **Probiotics:** A microorganism introduced into the body for its beneficial qualities
- **Enzymes:** Substance produced by a living organism which acts as a catalyst to bring about a specific biochemical reaction
- **Toxin binders:** A substance that is added to animal feed in small quantities in order to trap mycotoxins, preventing them from entering the blood stream where they can cause serious harm to your animals
- **Acidifier:** Inorganic chemicals put into a body, which either produce or become acid. These chemicals increase the level of gastric acid in the stomach when ingested
- **CEP filing:** Certificate of Suitability (CEP) is to certify the compliance of a material with the requirements laid down in the relevant monograph of the European Pharmacopoeia
- **Albendazole:** Medication used for the treatment of a variety of parasitic worm infestations
- **Ricobendazole:** Antiparasitic active ingredient used in veterinary medicine mainly in livestock against internal parasites
- **Praziquantel:** Synthetic anthelmintic drug used in the treatment of schistosomiasis and other infestations of humans and animals with parasitic trematodes or cestodes
- **USVMF:** The USA Veterinary Master File
- **MAPA:** Ministry of Agriculture, Livestock and Supply, Brazil

Business Responsibility Report

Summary of Principle

Principle 01 Ethics, Transparency & Accountability	Principle 02 Product Life Cycle Sustainability	Principle 03 Employee Well-being
Principle 04 Stakeholder Engagement	Principle 05 Human Rights	Principle 06 Environment
Principle 07 Policy Advocacy	Principle 08 Equitable Development	Principle 09 Customer Value

SECTION A

General Information about the Company

1. **Corporate Identity Number (CIN) of the Company**
   L99999MH1985PLC036685
2. **Name of the Company**
   Sequent Scientific Limited
3. **Registered Address**
   301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, India
4. **Website**
   www.sequent.in
5. **E-mail id**
   investorrelations@sequent.in
6. **Financial Year reported**
   April 01 2021 to March 31 2022
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
   Pharmaceuticals 21005 (as per NIC-2008)

8. List 3 key products/services that the Company manufactures/provides (as in the balance sheet)

Albendazole

Clorsulon

Triclabendazole

9. Total number of locations where business activity is undertaken by the Company/ Subsidiaries:

9.1 Number of international locations

Locations: USA, Spain, Turkey, Brazil, Germany, Sweden, Belgium, Netherlands, Mexico, Italy

Manufacturing Facilities: Spain, Germany, Turkey, Brazil

R&D Centres: Spain, Turkey, Brazil

9.2 Number of national locations

Registered Office: Thane, Maharashtra

Manufacturing Facilities: Ambernath, Vizag, Mahad & Tarapur

R&D Centres: Ambernath & Vizag

Analytical Facilities: Mangalore

10 Markets served by the Company Local/State/National/International

Our major markets include Europe, Turkey, India, Latin America, USA, and Emerging Markets.

Section B - Financial Details of the Company (as on 31 March 2022)

1. Paid up Capital (₹)

496.74 Million

2. Total Consolidated Turnover from operations (₹)

14,128.16 Million

3. Total Consolidated Profit after taxes (₹)

450.60 Million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

The Company has spent ₹2.73 Million during the financial year under review and balance ₹1.56 Million was earmarked for ongoing projects undertaken by the Company.

Note: The figures mentioned above are on standalone basis. On consolidated basis (including CSR spending of Alivira Animal Health Limited, Wholly Owned Subsidiary of the Company), the Company has spent ₹7.11 Million during the year under review and the balance ₹2.59 Million was earmarked for ongoing projects undertaken by the Company.

5. List of activities in which expenditure mentioned above was incurred:

a. Education & Livelihood

b. Rural Development

Refer to Principle 8 of this Report for detailed information.

SECTION C - Other Details

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

Yes. Details of subsidiaries forms part of the Board's Report of the Company for FY 2021-22

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Some of the subsidiaries take part in the business responsibility initiatives of the parent company

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company has not mandated any entities e.g. suppliers, distributors etc. of the Company for participating in the BR initiatives of the Company

SECTION D - BR Information

1. Details of the director responsible for implementation of the BR policy/ policies

Sharat Narasapur, Joint Managing Director

2. Details of the BR head

Sharat Narasapur, Joint Managing Director

3. Indicate the frequency with which the board of directors, committee of the board or CEO meets to assess the BR performance of the Company

The business responsibility performance of the Company is reviewed annually by the Management

4. Does the company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the company publishes the BR report as part of the annual report. The Business Responsibility Report forms part of the FY22 Annual Report which can be accessed through: https://www.sequent.in/investor-relations.aspx

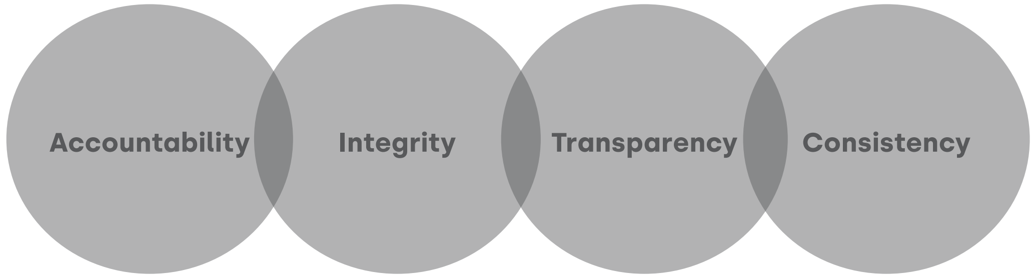
Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy/policies:

Sr No	Questions	Ethics, Transparency and Accountability	Product Life Cycle and Sustainability	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment	Equitable Development	Policy Advocacy	Customer Value
1	Do you have a policy for -	Y	Y	Y	Y	Y	Y	Y	The Company actively takes part to create a positive impact in sound policy decision making	The Company ensures value to its customers through its operations
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y		
3	Does the policy conform to any national/ international standards? If yes, specify?	We abide by the laws of the land, as applicable, to conduct business in a responsible manner. The policies are broadly based on National Voluntary Guidelines on social, environmental, and economic responsibilities of business issued by the Ministry of Corporate Affairs								
4	Has the policy been approved by the board? If yes, has it been signed by MD/ owner/ CEO/ appropriate board director?	The policies are approved by the functional heads and few of them have been adopted by the respective committees								
5	Does the company have a specified committee of the board director/ official to oversee implementation of the policy?	While few of the policies mandate requirement of a Board Committee to oversee their functioning, the rest of them are monitored by the management								
6	Indicate the link for the policy to be viewed online?	All our policies are made available to all employees on the internal portal of the Company, and several of them are also available on our website at https://sequent.in/polices-financials-subsidiaries.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies for internal stakeholders have been communicated to them and are also available on the Company's internal portal. Policies applicable to external stakeholders are available on the Company's website.								
8	Does the company have an in-house structure to implement the policy/ policies?	Yes. There is an in-house structure, with clearly defined roles and responsibilities, which are reviewed periodically. In addition to this, we regularly share communication with stakeholders upon any change in our policies								
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Few of the policies are subject to internal/external audit by statutory/ regulatory authorities.								

SECTION E – Principle - Wise Performance

PRINCIPLE 1 – Ethics, Transparency and Accountability

The Company understands the significance of being regulatory compliant at all times and maintaining ethical business practices. The Company has adopted principles of Accountability, Integrity, Transparency and Consistency as part of its philosophy and these have been instrumental in establishing trust with various stakeholders of the organisation. The practice of making timely, accurate and complete disclosures of relevant information has helped the Company to gain the trust of all stakeholders and ensures that business is conducted in the most ethical manner.



As part of the efforts to put in place a compliant regulatory framework, the Company in the past implemented several policies such as **Code of Conduct, Code of Ethics, Policy on disclosure of Material Events, and Whistle Blower Policy.** In addition to these, the Company has also adopted **Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives** to create a sense of responsibility in the minds of key individuals for maintaining data confidentiality around price sensitive information and conforming to the regulatory requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Apart from the policies mandated by Indian regulatory agencies, the Company has also adopted Anti-Corruption Compliance Policy, Anti-Money Laundering and Counter Terrorist Financing Compliance Policy as mandated by local laws of the country where the Company operates.

The Company has institutionalised a strong and effective SeQuent Whistle Blower Policy, responsible for investigating complaints received from any employee/ business associate in a robust and confidential manner. The Company has a dedicated communication address to receive any concerns, which are dealt with by the Audit Committee. For the year ended 31st March 2022, we received no complaints. The Company believes that the conduct of its directors, employees and associates would instill great confidence to all stakeholders that the Company operates in a most ethical manner.

The Company also has an Ethics and Governance Committee, which was voluntarily constituted in early 2021. As on date, the Committee members are Dr. Kausalya Santhanam (Independent Director), Mr. Rahul Mukim (Non-Executive Director), Mr. Prasad Lad (VP-HR & Admin) and Mr. Phillip Trott, Associate Vice President - Legal, Secretarial and Compliance.

Terms of Reference of the Ethics and Governance Committee is as under:

a. To monitor the functioning of the below mentioned codes/policies:
    a. Anti-Money Laundering & Counter Terrorist Financing Policy
    b. Anti-Corruption Compliance Policy
    c. Prevention of Sexual Harassment Policy
    d. Whistle Blower Policy
b. To do a preliminary investigation and present issues with recommendation to appropriate Committees

PRINCIPLE 2 – Product Life Cycle Sustainability

The Company is committed to sustainable product development, in line with commonly accepted international safety standards at its state-of-the-art Research & Development facilities. The Company has a strong base of technical professionals working across the globe in its Research & Development facilities towards sustainable product development, which is **the cornerstone of our continued growth and portfolio expansion**.

The company is working upon several R&D programs with emphasis on sustainable design philosophy, starting from raw material selection to formulation development and manufacturing. A track record of successful regulatory audits from global authorities demonstrates our commitment to deliver quality consistently. Some of the certifications that the Company has received includes approvals from authorities like USFDA, EUGMP, TGA, Health Canada amongst others. **Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to sustainable development.**

During the year, we made significant efforts to address social & environmental concerns. For greater impact, additional emphasis was given towards higher volume products such as:

1. Albendazole
2. Fenbendazole
3. Triclabendazole

The Company has well-established standard operating procedures to identify and approve vendors. The quality assurance team conducts periodic audits and due diligence of vendors, especially those who supply key materials. Further, the Company ensures that all processes are followed, and equipment, machinery, and material used at plant are safe for the people and environment. The Company constantly works on optimising its resource utilisation without compromising on the production quality.

Over time, the Company has developed robust processes to ensure sustainable product development, which is a very important selection criteria for its vendors and suppliers. The Company prefers to engage in long-term commitments with business partners who fulfill their responsibility towards the environment and the society.

The initiatives benefit the Company in terms of resource optimisation and optimised logistics costs, as well as support the environment through lower fuel consumption and reduced carbon footprint.

Some of the initiatives focus upon:

Quality Assurance

- Training to employees on QMS & GMP SOPs
- Supporting management through key hiring at CMO sites
- Periodic site inspections of CMO partners along with upgradation support to vendors wherever required

Safe Operations

- Continuous review of fire-fighting systems and support for setting up fire alarms, water sprinklers and hydrants, etc. wherever required
- Installation of scrubber systems to reduce pollutants escaping in exhaust gases before being released into the atmosphere

Capacity Upgradation

- Concrete efforts made to support and help in improving the ability of our suppliers to manage higher volumes
- Technical support and guidance towards debottlenecking manufacturing sites through knowledge sharing and close coordination

Results of the sustainable development related initiatives carried out in FY22:

~15% reduction in fossil fuel consumption

Water savings of 260 kL

Safe disposal of 376 MT of solid waste

PRINCIPLE 3 – Employee well being

Our employees are the most valuable asset of the Company, and their well-being is of utmost importance to the organisation. The practices followed across our sites ensure that the health & safety of the employees is well taken care of, and we make sure that they receive ample growth opportunities in an equitable and fair environment.

The organisation focuses on multiple areas:

1. Safe Workplace

Beyond Covid specific measures, the Company implemented several initiatives on a continual basis:

i. Use of Personal Protective Equipments (PPEs) wherever necessary

ii. Setting up of occupational Health Centres

iii. Conducting regular training programs and safety audits

2. Employee Engagement

The company has developed an extensive employee engagement program which consists of multiple activities to increase the engagement of the employees at the workplace and foster an open culture, such as:

Informal Interactions

- High Tea - Informal sessions aimed at building trust and bonding among employees
- Book club at the HQ level - Employees share their learnings from different books

Feedback

- Continous and timely feedback on trainings and engagement activities
- Open house meetings at plants and corporate

Communication

- Regular discussions on developments and new practices in the industry
- Updates about company's performance and new initiatives

3. Continuous Improvement

Learning and development is a key focus area for the organisation. Trainings are conducted for our employees on a regular basis, which helps in improving their knowledge and strengthening the foundations of the Company. Broadly, the trainings focus on imparting learnings across the following aspects:

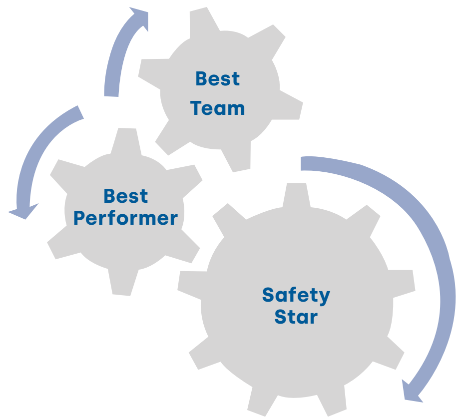
Statutory → Technical → Behavioural

Along with activities focused on continuous improvement, the team is leveraging the best practices institutionalised around corrective feedback loop mechanism wherein a HR team member continuously interact with employees on rotational basis across the sites to gather their suggestions and incorporate them in the training programs henceforth. This goes a long way in promoting an inclusive workplace environment.

4. Rewards & Recognition

To meet the evolving workplace environment needs, a dynamic rewards & recognition program has become an inseparable part of any good workplace.

To appreciate the employees for their efforts towards the organisation's growth, the Company has created an environment wherein employees at manufacturing sites can collectively nominate individuals/ teams who did a commendable job in the areas of safety.



The sales recognition program is held in the annual sales meeting across all locations and levels. The program is aimed at motivating and imparting employee enrichment while building a high-performance culture.

As part of Company's efforts to demonstrate the appreciation for loyalty and commitment of long serving employees, the Company recognised and rewarded the eligible employees who have been with the organisation for 5, 7, 10 15 and 20+ years of continuous service.

1,958 Total Employees	**270** Permanent Women Employees	**5** Differently abled Employees
187 Temporary/ Contract Employees	**9%** Permanent Employee Association	**0** Sexual harassment complaints
0 Child / forced / involuntary labor	**0** Complaints against discriminatory employment	**1,377** Employees underwent safety refresher & skill upgradation training

PRINCIPLE 4 – Stakeholder Engagement

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. The Company emphasises on being responsive to their needs along with being transparent and responding proactively. The Company believes in building lasting bonds with internal and external stakeholders through meaningful deliberations to review actions, rethink roadmap, redress any grievances, and recognise new avenues of growth.

The Company has done an extensive mapping of its internal and external stakeholders who directly or indirectly impact the business operations, and communicates with all, including the promoter shareholders, institutional shareholders, and retail/ minority shareholders in a uniform way, which follows the Statutory provisions. Our major stakeholders are:

Community	Employees & Contract Workers	Customers
Vendors & Suppliers	Healthcare Providers	Shareholders & Investors

The Company is accountable to stakeholder concerns and constantly endeavors to provide best of the services and information to maintain highest level of corporate governance. The Company follows various mechanisms to engage with its stakeholders. Some of the channels which the Company uses to effectively communicate with its stakeholders are:

- **Internal communications and Townhalls**
- **Quarterly Reports, Annual Reports, Investor Presentations**
- **Press releases**
- **Company website**
- **Participation in Exhibitions and Conferences**
- **Customer feedback sessions**
- **Social media platforms**

The Company had also constituted the Stakeholders Relationship Committee in compliance with the provisions of SEBI Listing Regulations & the Companies Act 2013.

In FY22, the Committee has not identified any disadvantaged, vulnerable or marginalised shareholders.

PRINCIPLE 5 – Human Rights

As a responsible organisation, the Company respects human rights at workplace, and endeavors to adopt best practices to ensure freedom of association, and prohibition of forced, compulsory or child labor.

The Company & its subsidiaries strictly comply with the prohibition of child & forced labor along with workers' right to information and adhere to this principle in the most earnest spirit.

In the financial year, there were no human rights violation complaints relating either to child labor, forced or involuntary labor, sexual harassment/ discriminatory employment against the Company.

PRINCIPLE 6 – Environment

The Company's Environment, Health, and Safety (EHS) initiatives are designed keeping in mind long term sustainability and value for the Company, its shareholders, and other stakeholders.

Preserving the environment and promoting well-being of the community are integral aspects of the Company's DNA. The Company has adopted practices that contribute to the larger goal of sustainable development.

The Company has a well defined Environmental, Health and Safety policy which covers all the subsidiaries, key suppliers, and contractors, and is communicated to all the stakeholders. The Company keeps its stakeholders updated through an EHS newsletter on how its efforts have benefitted the environment.

As a responsible organisation, the Company over the years has undertaken several initiatives to address impact on climate. The Company through its operations emphasises on the practices that address environmental issues ranging from judicious use of natural resources to upgrading processes focused on reducing solvent usage, reducing the quantity of raw materials used, reduction in effluents generated and diversifying energy procurement to renewable sources such as solar energy

The Company identified and assessed potential environmental risks in its processes through environmental impact assessment, third party audits as well as regulatory audits. Appropriate Standard Operating Procedures / controls have been put in place to address the identified risks.

The Company took several initiatives such as:

a. Installation of cast iron tanks to replace CSA tanks
b. New Glass line reactors installed
c. Installation of light sensors, switch to usage of LEDs
d. Reduction in carbon footprint through substituting fossil fuels with solar energy for increased energy requirements
e. Solvent emission controls strengthened for waste recovery
f. Hazardous waste diverted for processing for reuse as alternate fuel
g. Recycling of treated water and reuse for domestic purposes

Also, the Company continues to effectively monitor the impact of its actions on the environment through the adopted framework of 4R – "Reduce, Recover, Reuse and Recycle".

In total, the Company received 9 notices regarding pollution control, out of which 7 have been addressed and actions are already underway for closure of the balance 2.

PRINCIPLE 7 – Policy Advocacy

The Company through its representation at different industry forums plays an active role in influencing sound policy decision making, along with sharing inputs to facilitate any policy related changes that can be beneficial to the industry and society at large.

The Company is represented at various industry and trade associations such as:

a. Pharmaceuticals Export Promotion Council of India (Pharmexcil)
b. Indian Merchant Chamber of Commerce (IMC)
c. Bombay Drug Manufacturer's Association
d. Bulk Drug Manufacturing Association, Hyderabad
e. Federation of Indian Export Organisations
f. Mahad Manufacturer's Association (MMA)
g. Jawaharlal Nehru Pharma City Association

Over the years, the Company has provided inputs on policies as appropriate, while advocating changes to the existing policy frameworks wherever needed towards advancement/ improvement of public good.

PRINCIPLE 8 – Equitable Development

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programs. The Company has in place a Board-approved CSR committee, which drafts the framework and strategy for the CSR Policy. The Company's vision is "to improve the quality of life for the local communities in and around the areas of plant operations". The programs aim to touch the lives of individuals belonging to socio-economically challenged and/ or marginalised backgrounds. The CSR Committee regularly reviews the commitments and implementation of these programs.

Starting FY21, the Company focused its efforts on a long-term approach (period of 3 years) to make a visible impact in the geographies it serves with a focus on key priorities of the community:

1. Education & Livelihood
2. Rural Development

Illustrated below are some of the initiatives undertaken in FY22:

Education & Livelihood

To educate and promote the livelihood of youth belonging to underprivileged sections of society, the Company contributed to the Skill Development Program in Mangalore & Ambernath. 70 students from Mangalore were trained as multi skill technicians in Electrical field and 90 students learned retail selling skills over the course of these programs.

Rural Development

Considering the large rural population of the country, the Company aims to contribute towards sustainable development of rural regions. For this, the Company continued with its contribution efforts in clean energy initiatives such as installation of solar lights, lift irrigation, water filtration, etc. in Palghar District.

These initiatives touched upon the lives of 503 beneficiaries in Sawade Village, Palghar District & helped them overcome the daily struggle for necessities, allowing them to focus on their livelihoods.

The Company engages with the community through NGOs such as Dev Loka Educational Trust and Chirag Rural Development Foundation.

The Company spent ₹2.73 Million during the FY22 for the projects identified by the Company and approved by the CSR Committee and Board of Directors.

PRINCIPLE 9 – Customer Value

As a responsible organisation, the Company believes in offering superior value to its customers through:

1. Delivering products of the highest quality standards to our global customers
2. Maintaining industry standards & processes to ensure quality, safety and efficacy of products
3. Undertaking regular customer and external safety audits through Licensed Auditors for our manufacturing sites

A continuous focus over the years led to capability enhancement, which helped in keeping pace with the industry on Quality & Safety parameters which is testified by:

1. 75+ successful customer audits
2. USFDA, EUGMP, WHO approvals for manufacturing sites
3. EHS compliance with 20+ audits

The Company is committed to safe management of the products by responsibly disclosing information during product labelling. Customers are provided with all relevant product information like product composition, dosage instructions, storage, safety, cautionary notes, etc.

Customer feedback is taken periodically, and all complaints are handled in a responsible and time-bound manner. The Company inculcates the needs and requirements of its customers at the time of product development.

There were no customer complaints and stakeholder cases against the Company for the FY22 period.

Board's Report

Dear Members,
The Board of Directors present the Company's Thirty-seventh Annual Report along with the Company's Audited Financial Statements for the financial year ended March 31, 2022.

1. Financial Summary

The summarised financial performance (Standalone and Consolidated) of your Company for Financial year 2021-22 and financial year 2020-21 is given below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	2,196.26	2,654.57	14,128.16	13,616.15
Other Income	276.43	199.66	108.45	83.63
Profit/ (Loss) before interest, depreciation and tax	268.93	552.56	1,202.45	2,204.33
Less: Finance costs	16.10	26.80	157.74	243.83
Less: Depreciation and amortisation expenses	95.93	91.28	510.85	505.98
Profit/(Loss) before tax (before exceptional items and tax)	156.90	434.48	533.86	1,454.52
Exceptional items	-	25.61	-	88.23
Profit/(Loss) before tax (after exceptional items and tax)	156.90	408.87	533.86	1,366.29
Provision for - Current Tax	25.12	73.05	257.28	320.99
- Deferred tax	5.20	26.89	(53.72)	(28.60)
- Current tax of prior period (reversed)/ provided	(21.41)	(12.20)	(120.30)	29.38
Profit/(Loss) after tax	147.99	321.13	450.60	1,044.52
Net Profit for the year attributable to:				
Owners of the Company	147.99	321.13	412.51	954.42
Non-controlling interest	-	-	38.09	90.10

2. Business Performance Review

Financial year 2021-22 faced several macro-economic challenges, which impacted most economies around the world. However, the Company was successful in delivering growth during the year, despite the uncertain business environment.

During FY 2021-22, on consolidated basis, your Company's revenues stood at ₹14,128.16 Million as against ₹13,616.15 Million in FY 2020-21. The Company posted profit after tax of ₹450.60 Million in FY 2021-22 as against ₹1,044.52 Million in FY 2020-21.

On a standalone basis, your Company's revenues for FY 2021-22 stood at ₹2,196.26 Million as against ₹2,654.57 Million in FY 2020-21. The Company posted profit after tax of ₹147.99 Million in the year 2021-22 as against ₹321.13 Million in 2020-21.

Management's 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

- Achieved ₹9.81 Billion revenues from sales across global markets
- Initiated capex investments towards capability enhancement of sterile injectables facility at Bremer Germany for US FDA readiness, along with ramp up in existing capacities
- Received EU GMP approval for the newly constituted tablets manufacturing line in Turkey, along with renewal of EU GMP for existing production lines for the other dosage forms
- Acquired 100% stake of Nourrie Saúde e Nutrição Animal Ltda ('Nourrie'), marking Alivira's foray into the fast-growing companion animal segment in Brazil (4th largest companion animal market in the world). This acquisition provides the Company with a portfolio of 23 commercialised products, & a further near-term pipeline of 17 products in pet, swine segments
- Consolidated our holding in our Brazilian subsidiary to 100% by acquiring the residual minority stake, achieving 100% ownership across all key subsidiaries excepting Spain
- The finished formulations business in India achieved a key milestone, crossing ₹1 Bn+ of revenues, highest-ever performance

API

- Achieved ₹4.31 Billion revenues for the year, with highest-ever quarterly sales of ₹1.27 Bn in Q4 FY22
- Filed 1 USVMF, total USVMF filings now at 24, with 11 CEP approvals
- Signed long-term master supply arrangement with a global Top-10 animal health company
- Increased contribution of business from customers of Regulated market customers, up from ~50% in FY21 to ~3/4th in FY22
- Enhanced capacity by ~20% with the commissioning of an additional clean room at Vizag

3. Dividend

The Board of Directors of your Company, in order to conserve the funds for future business growth did not consider any Dividend for the year under review.

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

4. Transfer to Reserves

During the year under review, the Company has not made any transfer to the Reserves.

5. Share Capital

As on March 31, 2022, the Authorised Share Capital of the Company is ₹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, 2022, was ₹49,67,41,990/- divided into 248,370,995 equity shares of ₹2/- each. After the balance sheet date i.e. March 31, 2022, the Company issued and allotted 10,62,500 equity shares having face value of ₹2/- each of the Company at a price of ₹86/- per share (including premium of ₹84/- per share), to the eligible employees under Sequent Scientific Limited Employee Stock Option Plan 2020.

As on date of this report, the issued, subscribed and paid-up equity capital of the Company is ₹49,88,66,990/- divided into 24,94,33,495 equity shares of ₹2/- each.

6. Re-Classifcation of Erstwhile Promoters

Pursuant to approval received from NSE and BSE on November 01, 2021 and November 02, 2021 respectively, the erstwhile Promoters, Mr. Arun Kumar & Others have been reclassified from 'Promoter Category' to 'Public Category'. Currently CA Harbor Investments holding 53.02 % of the share capital of the Company is the Promoter of the Company.

7. Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as 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 Listing Regulations, the Consolidated Audited Financial Statements forms part of the Annual Report.

8. Subsidiaries, Joint Ventures And Associate Companies

As on March 31, 2022, your Company has 22 (Twenty-Two) Subsidiaries, out of which 14 are Wholly Owned Subsidiaries and your Company does not have any Joint Ventures/ Associate Companies.

Following are the changes in subsidiaries during the financial year ended March 31, 2022:

Name of the Subsidiary	Country	Changes during the year
Elysian Life Sciences Private Limited	India	Struck-off w.e.f. November 15, 2021
Nourrie Saúde e Nutrição Animal Ltda	Brazil	Acquired on February 28, 2022

9. Acquisition/Consolidation of Subsidiaries

During the year under review, the Company has consolidated its shareholding in the following subsidiaries by making them wholly owned subsidiaries of the Company:

a) In January 2022, Alivira Saude Animal Brasil Participacoes Ltda, Brazil, Subsidiary of the Company acquired 30% stake in Alivira Saude Animal Ltda (formerly known as Evance Saude Animal Ltda), Brazil (Alivira) and Evanvet Distribidora Productos Veterinarios Ltda, Brazil (Evanvet), for a consideration of BRL 33.642 Million to make Alivira and Evanvet, Wholly Owned Subsidiaries of the Company.

b) In February 2022, Alivira Saude Animal Ltda, Brazil (formerly known as Evance Saude Animal Ltda), Wholly Owned Subsidiary of the Company acquired 100% stake in Nourrie Saúde e Nutrição Animal Ltda, Brazil (Nourrie) for a consideration of BRL 27 Million. Consequent to this acquisition, Nourrie became a Wholly Owned Subsidiary of the Company.

10. Accounts of Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013 ('the Act') read with rules made thereunder, a statement providing details of performance and salient features of the Financial Statements of Subsidiaries is given in 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/polices-financials-subsidiaries.aspx.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at https://www.sequent.in/pdf/policies/Sequent_Policy%20on%20Determination%20of%20Material%20Subsidiaries_2019.pdf

11. Annual Return

The draft Annual Return of the Company as on March 31, 2022, is available on the Company's website and can be accessed at https://www.sequent.in/pdf/annual-report/2021-22/Annual%20Return_%2021-2022.pdf.

12. 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" (upgraded from "IND A" with outlook being "Positive") 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) assigned the rating as "IND A1+" (upgraded from "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.

13. 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.

14. Directors & Key Managerial Personnel

As on March 31, 2022, 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.

In April 2022, the following changes took place in the Board of Directors of the Company:

- Mr. Manish Gupta (DIN: 06805265) ceased to be the Managing Director & Chief Executive Officer of the Company on April 10, 2022.
- Mr. Rajaram Narayanan (DIN: 02977405) was appointed as the Managing Director & Chief Executive Officer of the Company by the Board of Directors on April 11, 2022. The Members of the Company have also approved the said appointment vide Special Resolution passed through Postal Ballot on April 09, 2022.

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 on date, the Key Managerial Persons of the Company are Mr. Rajaram Narayanan, Managing Director & Chief Executive Officer, Mr. Sharat Narasapur, Joint Managing Director, Mr. Tushar Mistry, Chief Financial Officer and Mr. Krunal Shah, Company Secretary.

Mr. Tushar Mistry, Chief Financial Officer of the Company has resigned from the services and will be relieved on May 31, 2022. The Board will announce his successor in due course.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Neeraj Bharadwaj and Mr. Rahul Mukim, Directors of the Company, retires by rotation at the ensuing AGM. The Board of Directors has recommended their re-appointment.

15. 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's, the Nomination and Remuneration Committee (hereinafter referred to as "NRC") and 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.

16. Meetings of The Board

During the year under review, 6 (Six) Board Meetings were held on June 30, 2021, August 10, 2021, November 01, 2021, December 15, 2021, January 14, 2022 and February 11, 2022. 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, 2022, forming integral part of this Annual Report.

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

Pursuant to Section 178 of the Act, NRC 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 http://www.sequent.in/pdf/policies/Nomination-Remuneration-Policy_2019.pdf

The salient features of the policy are as under:

- NRC to identify persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel of the Company;
- NRC to guide Board in relation to 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 on 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.

18. 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
6. Ethics and Governance 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 for the financial year ended March 31, 2022, forming integral part of this Annual Report.

19. Auditors and Auditors Report

Statutory Auditors

In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting held on August 29, 2019, M/s. S R B C & 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 34th Annual General Meeting (AGM) till the conclusion of 39th AGM.

The Independent Auditors' Report on Standalone and Consolidated Financial Statements for the year ended March 31, 2022, forms integral part of the Annual report and does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter.

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 rules thereunder, the Board has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretary (Certificate of Practice No: 2631) to conduct Secretarial Audit of the Company for the year ended March 31, 2022 and its unlisted material subsidiary, Alivira Animal Health Limited (Alivira).

The Secretarial Audit Report issued in Form No. MR-3 as an "**Annexure 2A**" and Alivira is attached "**Annexure 2B**" respectively to this Board's Report.

The Secretarial Audit Report of the Company and Alivira does not contain any qualification, reservation or adverse remark.

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 has maintained cost records.

Pursuant to Section 148(3) of the Act read with Companies (Cost Records and Audit) Rules, 2014, M/s. Kirit Mehta & Co, Practicing Cost Accountants, were appointed as the Cost Auditors of the Company for the financial year 2021-22 for conducting the audit of cost records of products and services of the Company. The Cost Audit Report for the financial year ended March 31, 2022, would be filed within the due date prescribed by law.

The remuneration proposed to be paid to the Cost Auditors for the financial year 2022-23, forms part of the Notice of the ensuing AGM for ratification by the Shareholders.

20. Segment

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

21. Particulars of Employees and Related Disclosures

The statement containing particulars of employees as required to be disclosed under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as an '**Annexure 3**' forming part of this report except the report as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In terms of Section 136 of the 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.

22. Vigil Mechanism / Whistle Blower Policy

Pursuant to provisions of Section 177(9) of the Act and the Listing Regulations, the Company has established Vigil Mechanism and a 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 Whistle blower policy can be accessed at http://www.sequent.in/pdf/policies/Sequent_Whistle%20Blower%20Policy_2019.pdf.

23. Particulars of Loans Given, Investments Made, Guarantees Given and Securities Provided

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 utilised by the recipient are provided in Note No. 5, 6, 30 and 45 to the Standalone Financial Statements in the Annual Report.

24. Related Party Transactions

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.

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 Companies (Accounts) Rules, 2014.

During the year under review, the Company has revised the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions in the line with the amended Listing Regulations and the same can be accessed at https://www.sequent.in/pdf/policies/Sequent_Policy%20on%20RPT%20&%20Material%20Subsidiary_2019.pdf

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

Members may refer to Note No. 45 to the Standalone Financial Statements which sets out related party disclosures pursuant to Ind AS.

25. Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises of Dr. Kamal Sharma, Independent Director, Mr. Rahul Mukim, Non-Executive Director and Mr. Sharat Narasapur, Joint Managing Director as its Members. Your Company has a policy on CSR and the same can be accessed at https://www.sequent.in/pdf/policies/CSR%20Policy.pdf.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as an '**Annexure 4**' forming part of this report.

26. 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 PricewaterhouseCoopers Services LLP, Internal Auditors of the Company and Grant Thornton Bharat LLP independently and no reportable material weakness in the design or operations were 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.

27. 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:

a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2022 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, 2022 and of the profit of the Company for the year ended on that date;

c) 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;

d) the annual financial statements for the year ended March 31, 2022 have been prepared on a going concern basis;

e) 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;

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

28. 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**' forming part of this report.

29. 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 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 Committee(s) (ICs) 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 respectable workplace.

During the year under review, no complaints pertaining to sexual harassment were received and no complaints were pending as on March 31, 2022.

30. Corporate Governance Report

As per Regulation 34(3) read with Schedule V of the 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 of Corporate Governance for the year ended March 31, 2022 forms integral part of this Annual Report.

31. Business Responsibility Report

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

32. Management Discussion and Analysis

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis containing Information inter-alia on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended March 31, 2022, forms integral part of this Annual Report.

33. 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 integral part of this Annual Report.

The constitution of the Committee and details of meeting held are disclosed in the Corporate Governance Report for the financial year ended March 31, 2022, forming integral part of this Annual Report.

During the year under review, the Company has formulated a Risk Management Policy of the Committee and the same can be accessed at https://sequent.in/pdf/policies/Risk%20Management%20Policy.pdf.

34. 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.

35. Material Changes and Commitments Affecting the Financial Position of the Company

There are no material changes and commitments affecting the financial position of your Company between the end of the financial year 2021-22 and the date of this report.

36. 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.

37. Employee Stock Option Scheme

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

a) SeQuent Scientific Employee Stock Option Plan 2010 and

b) SeQuent Scientific Limited Employees Stock Option Plan 2020

The details as required to be disclosed under Section 62 of the Act read with Rule 1 of 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) are given in '**Annexure 6**' forming part of this report.

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.

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

During the year under review, there were no amounts which were required to be transferred to the IEPF account by the Company pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016.

39. Acknowledement

Your directors place on record 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 for persistent 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 of
Sequent Scientific Limited

Place: Thane
Date: May 25 2022

Dr. Kamal Sharma
Chairman

Annexure 1

Form AOC 1

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

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

PART A - SUBSIDIARIES

Information relating to Subsidiaries of the Company as at March 31, 2022

(₹ 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	Ex-change Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	Alivira Animal Health Limited	September 30, 2013	India	NA	INR	-	477.76	4,750.35	9,389.56	4,161.42	3,682.00	4,784.88	206.43	66.98	139.45	-	100.00%
2	Alivira Animal Health Limited	September 1, 2014	Ireland	NA	USD	75.81	1,217.70	2,593.74	6,615.42	2,803.96	4,822.24	371.99	(56.52)	-	(56.52)	-	100.00%
3	Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	September 9, 2014	Turkey	NA	TRY	5.17	10.35	105.13	967.56	852.09	83.91	984.07	(206.66)	(79.24)	(127.42)	-	100.00%
4	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	December 11, 2015	Turkey	NA	TRY	5.17	5.17	358.18	641.84	278.49	12.99	1,030.50	129.59	(14.11)	143.71	-	100.00%
5	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	45.01	184.41	95.29	-	146.57	36.30	9.00	27.30	-	100.00%
6	Fendigo SA	December 3, 2015	Belgium	NA	Euro	84.66	13.12	248.57	368.86	107.17	-	967.38	129.46	33.67	95.79	-	100.00%
7	Fendigo BV	December 3, 2015	Netherland	NA	Euro	84.66	2.54	23.89	40.37	13.94	-	167.11	18.63	2.81	15.82	-	100.00%
8	N-Vet AB	December 3, 2015	Sweden	NA	SEK	8.07	4.84	90.03	133.97	39.11	-	189.87	17.22	3.78	13.44	-	96.10%
9	Alviria Saude Animal Brasil Participacoes Ltda	June 10, 2016	Brazil	NA	BRL	15.89	15.62	(155.23)	900.86	1,040.47	741.66	-	48.63	(14.29)	62.92	-	100.00%
10	Alivira Saude Animal Ltda. (formerly known as Evance Saude Animal Ltda. and Interchange Veterinária Indústria E Comércio Ltda.)	August 1, 2016	Brazil	NA	BRL	15.89	206.91	(208.25)	1,092.45	1,093.79	429.07	1,546.08	38.68	11.07	27.61	-	100.00%
11	Evanvet Distribuidora De Produtos Veterinarios Ltda (Formerly known as Evance Saude Animal Ltda.)	December 26, 2018	Brazil	NA	BRL	15.89	0.56	196.43	311.53	114.54	-	1,128.80	184.85	61.55	123.30	-	100.00%
12	Nourrie Saúde e Nutrição Animal Ltda	February 28, 2022	Brazil	NA	BRL	15.89	18.24	11.87	71.70	41.59	-	14.82	7.76	2.72	5.04	-	100.00%
13	Vila Viña Participacions S.L.	July 1, 2016	Spain	NA	EURO	84.66	180.45	117.63	306.11	8.02	284.79	24.66	13.06	0.74	12.32	-	60.00%

(₹ 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	Ex-change Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
14	Laboratorios Karizoo, S.A.	July 1, 2016	Spain	NA	EURO	84.66	30.20	715.23	2,104.60	1,359.17	20.11	3,070.68	22.92	(9.82)	32.73	-	60.00%
15	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	July 1, 2016	Mexico	NA	PESO	3.81	23.30	33.21	170.32	113.81	-	273.09	5.01	3.29	1.71	-	60.00%
16	Comercial Vila Veterinaria De Lleida S.L.	July 1, 2016	Spain	NA	EURO	84.66	0.76	87.77	121.46	32.94	0.06	435.10	14.21	3.14	11.07	-	60.00%
17	Phytotherapic Solutions S.L	July 1, 2016	Spain	NA	EURO	84.66	2.54	165.06	199.78	32.19	-	194.04	27.56	6.35	21.21	-	60.00%
18	Bremer Pharma GmbH	April 17, 2018	Germany	NA	EURO	84.66	61.80	(313.01)	402.99	654.20	-	544.81	(161.22)	(0.23)	(160.99)	-	100.00%
19	Alivira France S.A.S.	February 02, 2018	France	NA	EURO	84.66	126.99	(127.69)	-	0.70	-	-	-	-	-	-	75.00%
20	Alivira Italia S.R.L.	January 21, 2019	Italy	NA	EURO	84.66	8.47	(19.00)	61.71	72.24	-	77.25	(2.58)	-	(2.58)	-	95.00%
21	Elysian Life Sciences Private Limited	March 2, 2010	India	NA	INR	-	-	-	-	-	-	-	-	-	-	-	100.00%
22	Alivira Animal Health USA LLC	March 30, 2020	USA	NA	USD	75.8071	45.29	(53.4418)	0.5285	8.6756	-	-	(50.8118)	-	(50.8118)	-	100.00%
23	Alivira Animal Health UK Ltd	April 29, 2020	United Kingdom	NA	GBP	99.55	1.50	(1.47)	0.09	0.05	-	-	(1.49)	-	(1.49)	-	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**

Elysian Life Sciences Private Limited (w.e.f. November 15, 2021)

3 **Change in name of subsidiaries:**

The name of Interchange Veterinária Indústria E Comércio Ltda was changed to Evance Saude Animal Ltda. and was further changed to Alivira Saude Animal Ltda.

The name of Evance Saude Animal Ltda. was changed to Evanvet Distribidora Productos Veterinarios Ltda.

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2022

For and on behalf of the Board of Directors

Date: May 25, 2022
Place: Thane

Rajaram Narayanan
Managing Director & Chief Executive Officer

Sharat Narasapur
Joint Managing Director

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary

Annexure 2A

Form No. MR-3

Secretarial Audit Report
For the financial year ended 31st March, 2022

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

To

The Members,

Sequent Scientific Limited

301, 3rd Floor, Dosti Pinnacle,

Plot No. E7, Road No. 22,

Wagle Industrial Estate,

Thane west – 400 604.

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2022, 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, 2022, 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) Regulations, 2014 (till 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (w.e.f. 13th August, 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;

   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, 2009;

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

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

Based on the above said information provided by the Company, we report that during the financial year, the Company has 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. It may be noted that in respect of time gap between two Board Meetings, the Company has relied on the circular issued by the SEBI viz. Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated 29.04.2021 read with the General Circular of the Ministry of Corporate Affairs No. 08/2021 dated 03.05.2021 vide which the time limited has been extended u/s. 173 of the Companies Act, 2013 between two consecutive Board meetings of up to 180 days.

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 constitution of the Board has remained un-affected during the year under review.

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:-
Name:- **Nilesh Shah (Partner)**

Date: 25.05.2022
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554D000390027

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

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

'Annexure A'

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

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

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

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

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

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

6. Due to COVID-19 outbreak, in respect of the Audit, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic and partial physical inspection.

7. 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:-

Name:- **Nilesh Shah (Partner)**

Date: 25.05.2022
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554D000390027

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Annexure 2B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2022

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

To
The Members,
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, 2022, 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, 2022, 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) Regulations, 2014 (till 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (w.e.f. 13th August, 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, 2009;

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

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

(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 composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice/s were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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:-

Name:- **Nilesh Shah (Partner)**

Date: 25.05.2022
Place: Mumbai
UDIN: F004554D000390049
Peer Review No.: 698/2020

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

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

'Annexure A'

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. Due to COVID-19 outbreak, in respect of the Audit, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic and partial physical inspection.

7. 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:-

Name:- **Nilesh Shah (Partner)**

Date: 25.05.2022
Place: Mumbai
UDIN: F004554D000390049
Peer Review No.: 698/2020

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

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, 2022:

As on date of this Report, the Board comprises of 9 (Nine) Directors consisting of 2 (Two) Executive Directors, 3 (Three) Independent Directors and 4 (Four) Non-Executive Directors.

The Non-Executive/ Independent Directors receive a sitting fee of ₹0.1 Million for attending each meeting of the Board and the Committees and commission on profits.

The ratio of remuneration of each Directors to the median remuneration of the employees of the Company for the financial year March 31, 2022:

Name of the Director	Ratio
Mr. Manish Gupta, Managing Director & Chief Executive Officer	75.40
Mr. Sharat Narasapur, Joint Managing Director	Refer Note 1
Mr. Tushar Mistry, Chief Financial Officer	44.27
Mr. Krunal Shah, Company Secretary	8.98

The median remuneration for the period under review is approximately ₹1,76,189/-.

B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year ended March 31, 2022:

#	Particulars	% Increase
1.	Mr. Manish Gupta Managing Director & Chief Executive Officer	(32.21)
2.	Mr. Sharat Narasapur Joint Managing Director	Refer Note 1
3.	Mr. Tushar Mistry Chief Financial Officer	(31.59)
4.	Mr. Krunal Shah Company Secretary	11.72

C.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2022	(5.86)
D.	The number of the permanent employees on the rolls of Company as on March 31, 2022	504
E.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase in salaries of employees (other than managerial personnel) was 9.5% and for managerial personnel was 5.3%.

Notes:

1. Mr. Sharat Narasapur is not drawing any remuneration from the Company during the year under review. He is also a Joint Managing Director of Alivira Animal Health Limited, Wholly Owned Subsidiary of the Company and draws remuneration from Alivira Animal Health Limited.
2. The remuneration of Independent and Non-Executive Directors of the Company comprises of sitting fees for attending Board and Committee Meetings and commission on profits. Hence, calculation of percentage increase in remuneration is not applicable.
3. The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.
4. If there is an even number of observations, the median shall be the average of the two middle values.

We affirm that the remuneration paid during the year 2021-22 is as per the Remuneration Policy of the Company.

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

Place: Thane
Date: May 25 2022

Dr. Kamal Sharma
Chairman

Annexure 4

Annual Report on CSR Activities of Sequent Scientific Limited for FY 2021-22

1. Brief outline on CSR Policy of the Company:

   The Company intends to aid in development and support of communities in the areas where it operates and to ensure that the projects that it take up address the concerns of the economically marginalised members of society.

   Vision:

   Your Company's long-term CSR Vision is "We aim to support the communities in the society so that we can make a positive, relevant and enduring impact through our CSR initiatives."

   Mission:

   To improve the quality of life of the communities where we operate through long term value creation in the areas of

   - Education & Livelihood
   - Rural Development

   We can take up initiatives observing other areas as well.

2. Composition of CSR Committee:

Sl. No.	Name of the Director	Designation / 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 & Independent Director	2	2
2.	Mr. Rahul Mukim	Member & Non-Executive Director	2	2
3.	Mr. Sharat Narasapur	Member & Joint Managing Director	2	2

3. Provide 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.

   Composition of CSR Committee: https://www.sequent.in/bord-of-directors.aspx

   CSR Policy: https://www.sequent.in/pdf/policies/CSR%20Policy.pdf

   CSR Projects: https://sequent.in/csr.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

   Not Applicable for the financial year under review

6. Average net profit of the company as per section 135(5): ₹**214.66 Million**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹**4.29 Million**

   (b) Surplus arising out of the CSR projects or programmed or activities of the previous financial years: **Nil**

   (c) Amount required to be set of for the financial year, if any: **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹**4.29 Million**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Million)	Amount Unspent (in Million)*				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.73	1.56	April 27, 2022	Not Applicable	Not Applicable	Not Applicable

*The Unspent CSR amount of ₹1.56 Million for FY 2021-22 is earmarked towards ongoing projects as detailed below:

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project during FY 2021-22 (in Million)	Amount spent in the current financial Year (in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Million)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Skill Development	Clause (ii)-Promoting Education	Yes	Karnataka	Mangalore	3 Years	2.62	1.06	1.56	No	Deva Lok Educational Trust	CSR00000371
2.	Rural Development	Clause (x)-Rural Development Projects	Yes	Maharashtra	Palghar	3 Years	1.67	1.67	NIL	No	Chirag Rural Development Foundation	CSR00001301
	Total						**4.29**	**2.73**	**1.56**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **Nil**

(d) Amount spent in Administrative Overheads: ₹**0.26 Million**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹**2.73 Million**

(g) Excess amount for set off, if any: **Not Applicable**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Million)	Amount spent in the reporting Financial Year (in Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	2020-21	0.97	0.97	N.A.	N.A.	N.A.	Nil
2.	2019-20	Nil	Nil	N.A.	N.A.	N.A.	Nil
3.	2018-19	Nil	Nil	N.A.	N.A.	N.A.	Nil
	Total	**0.97**	**0.97**				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Million)	Amount spent on the project in the reporting Financial Year (in Million)	Cumulative amount spent at the end of reporting Financial Year. (in Million)	Status of the project - Completed /Ongoing
1.	Skill Development	2020-21	3 Years	0.45	0.45	0.45	Ongoing
2.	Rural Development	2020-21	3 Years	0.52	0.52	0.52	Ongoing
	Total			**0.97**	**0.97**	**0.97**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **(asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company was required to spent ₹4.29 Million towards CSR activities in FY 2021-22 in terms of Section 135 of the Companies Act, 2013. The Company has spent ₹2.73 Million towards CSR activities in FY 2021-22 and balance ₹1.56 Million is earmarked to be spent on Ongoing Projects as detailed in this report.

An amount of ₹1.56 Million was transferred to 'Unspent CSR Account' maintained with HSBC Bank on April 27, 2022.

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

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 25, 2022

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, TSD and Production has demonstrated encouraging results. We must 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

Steps taken

Energy Saving

- Old light: 36 Watt lights replaced to 18 W lights (246 No) replaced with New LED saving 106 units /day.
- Temp Sensor installed at Cooling tower fan energy saving 186 kw / day
- VFD Installed at Dry vacuum pump, RVD and cooling tower.

Water saving

- Boiler Condensate Recovery Ratio increased from Plant I, Plant II steam condensate leading to saving of 8215 kL of fresh water (increased upto 55.60 % when compared with earlier ratio which was 49 %) resulted reduction in briquette consumption.
- PWS plant revamping done to increase the permeate percentage by 10 % leading to saving of almost 2.3 kL/day fresh water i.e. 759 kL per annum which is used in cooling tower
- Fugitive emissions from equipment leaks, joints, gasket leaks: 614.6 kg per year fugitive emissions arrested (points monitored 310)
- Recycling of carbon treated water from albendazole process (545kl in year for 117 batches)
- Reuse of RO -Sanitisation water: Water used for gardening saved by 1 kL/day. (365 kL Lit/year)

Head	Consumption 2020-21	Consumption 2021-22	% Saving
Water (Kl)	30030	23104	19.5
Electricity (KWH)	5972974	4807997	23.07
Briquette (Kg)	5087663	3966378	22.03

Vizag

Steps Taken

- **Usage of Waste as supplemental fuel to cement kiln:** 270 T/year.
- **Reuse of waste:** 103 T Coal ash generated and converted to bricks.
- **Third Party Energy Audit:**
  - Part of Energy Audit and recommendations, 40 HP motor is replaced with 20 HP to conserve power.
  - Optimising load of Brine plant based on the plant operation load, running one brine plant in lieu of 2 during normal load.
  - Chilled water set-load is redefined from 5 degree to 8 degree to rationalise the load.
  - Steam traps leakages are attended to prevent loss of steam.
  - Cooling plant load is rationalised to run two in lieu of 3 cooling plants
- **Savings from periodic power trip:**
  - Temperature sensors arranged to trip cooling tower induced draught Fan.
  - Timer is placed for General vacuum pumps to trip automatically after reach to set time limit Process Reactor Vision
  - Lamps is provided to trip after reaching to certain time intervals
  - 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
- **Reduction in Coal consumption in boiler:** Recovered Steam condensate used in boiler maximum up to 76%.
- **Illumination Saving:**
  - Placing sensors to lower illumination of lights during absence of human.
  - Replacement of CF lamps by LED in entire plant
- **Reduction of Effluent:**
  - Use of Single Solvent Methanol instead of Acetic acid for a product, used Solvent is recovered.
  - Reduced water in a batch from 24 kL to 14 kL and in a year around 1025 kL effluent is reduced
- **Solvent Emission Control:**
  - Installed vent condensers to bulk solvent storage tanks with chilled water circulation
  - The vents of the solvent recovery plant are connected to carbon filter and the emissions if any are generated are pass through the carbon filter and then into the atmosphere. Also, online VOC (volatile organic compounds) monitoring system installed here and connected to pollution control board server.
  - LDAR study (leak detection and repair) conducted to control the fugitive emissions

Impact of energy conservation:

- **Energy Saving:** We started procuring the Solar energy as part of green energy initiative and thus to the extent reduced the carbon emission. Total Solar energy units procured is around 3.2 Million KWH units during the year.

Tarapur

Steps taken

Energy saving

- Higher capacity pumps has been replaced with suitable capacity pumps for ETP blower (12.5 HP to 7.5 HP): (saving of 67unit/day)
- Illumination Saving: 10 Nos of Warehouse cement roof sheet replaced with transparent sheet (saving of 220W/day)
- Temperature sensors provided to cut off cooling tower at 24^{0}C induced draught Fan at set temp. (Saving of 69 unit/day)

Water saving

- Reuse of RO permeate: 2-3 kL/day RO permeate for cooling tower.
- Reduction of Water in batch Process: Water volume of Tricla API batch reduced from 21 V to 9.5 V. There is 54 % water reduction per batch and subsequently High COD load per batch reduced to greater extend.

Impact of energy conservation:

- Electricity consumption has reduced by 6 % in 2021-22 compared to 2020-21.
- Water consumption has reduced by 10 % in 2021-22 compared to 2020-21.

(ii) Steps taken by the Company for utilising alternate sources of energy

Mahad

- Hazardous waste sent to Co- processing 107 T in 2021-22 compared to last year 21.7 T in 2020-2021. (80 %)
- Improvisation of wastewater treatment facility (end-of-pipe): It ensured that waste-water discharge had reduced load of chemical pollutants, much lower than the regulatory requirement to minimise ecological impact. High COD effluent reduced by 38 % (4532 kL) & Low COD effluent reduced by 22 % (2070 kL).

Head	Generation 2020-21	Generation 2021-22	% Saving
High COD (Kl)	11818	7286	38
Low COD (Kl)	9385	7315	22

- Multi Effect Evaporator (MEE) feed reduction: MEE feed reduced by 4532 kL.
- Reduction of steam loss: Modification in ATFD steam traps for control on flash steam wastage and collect pure steam condensate.

(iii) Capital investment on energy conservation equipment

Vizag:

1. Proposal made to have solar panels in unused vacant area and planning of investment is under evaluation.
2. Enhancement of Capacity at Intermediate area for the two products to meet the customer demand
3. Solvent recovery and use in few products to minimise the load of fresh solvent consumption
4. Effluent reduction process through recycling of water -phase mother liquor to reuse in the process

Tarapur:

- New 45TR Brine plant installed which helped to reduce production batch cycle time.
- PWS plant revamping done RO membrane & EDI Replaced leading to increase in % recovery & saving of almost 1.5 kL/day fresh water.

(B) Technology Absorption

(i) Efforts made towards technology absorption & benefits derived:

1. Developing scalable process by using the engineering principles, modelling and simulation of process parameters and equipment with the help of Process chemists and Chemical engineers and optimise the process using QbD (Quality by Design) concept.
2. 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.

   Technology absorption and filed

   NPD – 2 nos (USVMF)

   Commercial product 1no – CDMO (CEP)
3. We believe in continuous improvement for commercialised processes in all divisions with the objective of increasing throughput, reducing the steps, recovering, and recycling of solvents, minimising effluent generation, and reducing cycle time by using an appropriate scientific approach and design principles.
4. We are having cross functional teams to identify the root cause, preparation of investigation reports based on laboratory experiments support and then manufacturing & QA teams to implement the suggested changes.

5. Replacing equipment to reduce solvent exposure, improves industrial hygiene, and improvises the ease of operations: Installed PTS for GLR-127 to charge FTC directly into reactor to reduce solvent exposure Installed Material charging system into reactor to reduce solvent exposure and avoid flash fire Installed 2 nos ANFD in replacement of Centrifuges to reduce solvent exposure and improvise ease of operation

6. Enhancing Capacity

   Commissioned CR-6 & CR-7 with 2 reactor and class 100000 area with 3 reactor and PP equipment's Commissioned Pilot plant with 5 reactor and class 100000 area Commissioned 3 kL Hydrogenator equipment in Hydrogenation block at Vizag to reduce dependency on contract manufacturing organisations. FBD 300 Kg commissioned as replacement of FBD-150 kg to enhance capacity Commissioned Cold storage room in warehouse for purpose of storage of API required to store under cold conditions Commissioned Chemical storage area in warehouse for purpose of storage of R&D chemicals

(ii) 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 2021-22 is Nil.

(C) Foreign Exchange Earnings and Outgo:

₹ in Million

Particulars	FY 2021-22
Foreign Currency earned	310.88
Foreign Currency used	219.95

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

Place: Thane
Date: May 25 2022

Dr. Kamal Sharma
Chairman

Annexure 6

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBS Regulations) forming part of the Directors' Report for the year ended March 31, 2022

A. Details related to Employee Stock Option Scheme

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

i) SeQuent Scientific Employee Stock Option Plan 2010

1.	Date of Shareholders Approval	September 24, 2015
2.	Total no. of options approved under ESOP	7% of paid up capital
3.	Vesting requirements	Year / % of option vested: 1 – 25; 2 – 25; 3 – 25; 4 – 25
4.	Exercise price or pricing formula	Closing Market prices of company's equity shares on the stock exchange which has highest trading volume on a day prior of grant of options
5.	Maximum term of options granted	4 years from the date of grant of options
6.	Source of shares	Primary
7.	Variation in terms of options	Nil
8.	Method used to account for ESOP (Intrinsic or Fair value)	Fair Value
9.	Where the company opts for expensing of the options using the intrinsic value of the options	Not Applicable
10.	**Option movement during the year 2021-22**	
	Number of options outstanding as on April 1, 2021	5,85,900
	Number of options granted during year	-
	Number of options forfeited / lapsed during the year	11,900
	Number of options vested during the year	91,400
	Number of options exercised during the year	5,29,000
	Number of shares arising as a result of exercise of options	5,29,000
	Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	2,11,60,000
	Options outstanding as on March 31, 2022	45,000
	Options exercisable as on March 31, 2022	45,000
	Variation of terms of options	Nil
	Weighted average exercise price of options	40.00
	Weighted average fair values of options	40.99
	Range of exercise price for options outstanding at the end of the year	₹40/- per option

ii) SeQuent Scientific Limited Employees Stock Option Plan 2020

1.	Date of Shareholders Approval	January 17, 2021
2.	Total no. of options approved under ESOP	1,85,00,000 options (One Crore Eighty-Five Lakhs)
3.	Vesting requirements	The Options granted shall vest so long as an eligible employee continues to be in the employment of the Company or the Subsidiary Company as the case may be, as under: **Class A Options** The Class A Options granted under the Scheme shall vest in 5 (five) equal annual tranches as under: • First tranche to vest at the end of 12 months from the date of grant in compliance with SEBI Regulations • Subsequent 4 (four tranches) to vest on 8th September of every year commencing from 8th September 2022, which is the anniversary of Carlyle taking control of the Company. **Class B Options** The Class B Options granted under the Scheme shall vest on earlier of; • Completion of 7th year commencing from the date of grant of options, OR • On Change of Control (cessation of control by the majority shareholder) combined with achieving the pre-determined Market Cap of the Company as compared to the Market Cap as on September 30, 2020 **Class C Options** The Class C Options granted under the Scheme shall vest on earlier of; • Completion of 7th year commencing from the date of grant of options, OR • On achieving the Financial Outcomes, either in terms of Revenue, EBITDA, PAT or such other quantifiable financial matrix either on a Group Level or on a Regional Level or Divisional level ('Financial Outcome') to be agreed to between NRC and the Optionee at the time of grant of the options. In any case, the vesting will be subject to completion of one year from the date of the grant.
4.	Exercise price or pricing formula	The first lot of Grants is proposed to be issued at an Exercise Price of ₹86/- per option. NRC has powers to vary the Exercise Price, for future grants.
5.	Maximum period of options granted	7 years from the date of grant of options
6.	Source of shares	Primary
7.	Variation in terms of options	Nil
8.	Method used to account for ESOP (Intrinsic or Fair value)	Fair Value
9.	Where the company opts for expensing of the options using the intrinsic value of the options	N.A.
10.	**Option movement during the year 2021-22**	
	Number of options outstanding as on April 1, 2021	73,50,000
	Number of options granted during year	10,00,000 Class A options
	Number of options forfeited / lapsed during the year	38,80,000
	Number of options vested during the year	14,20,000
	Number of options exercised during the year	10,62,500
	Number of shares arising as a result of exercise of options	Nil
	Options outstanding as on March 31, 2022	34,70,500
	Options exercisable as on March 31, 2022	3,27,500
	Variation of terms of options	Nil
	Weighted average fair values of options	171.75
	Range of exercise price for options outstanding at the end of the year	₹86/- per option

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

(a) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -(a)senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: No Options were granted to the Senior Managerial Personnel during the year

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: None

C. Details related to Trust

	Particulars	Details
1.	Name of the Trust	Sequent Scientific Employee Stock Option Plan Trust
2.	Details of the Trustees	Mr. Prasad Lad
3.	Amount of loan disbursed by company / any company in the group, during the year	Nil
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 67,237,442/-
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6.	Any other contribution made to the Trust during the year	Nil

D. Brief details of transactions in shares by the Trust

(a)	Number of shares held as on April 1, 2021	14,91,250
(b)	Number of shares acquired during the year through	
	(i) primary issuance	Nil
	• acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees on exercise of options under Sequent ESOP Scheme 2010	5,29,000
(d)	Number of shares held as on March 31, 2022	9,62,250

Corporate Governance Report

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

1. Company's philosophy on code of Governance

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

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

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

2. Board of Directors

Composition of Board

The Board of Directors of the Company comprises of an appropriate combination of Executive and Non-Executive Directors.

As on date, 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. The composition of the Board is in conformity with the requirements of Regulation 17 of the 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.

In the month of April 2022, the following changes took place in the Board of Directors of the Company:

- Mr. Manish Gupta (DIN: 06805265) ceased to be the Managing Director & Chief Executive Officer of the Company on April 10, 2022 consequent to his resignation from the position.
- Mr. Rajaram Narayanan (DIN: 02977405) was appointed as the Managing Director & Chief Executive Officer of the Company by the Board of Directors on April 11, 2022. The Members of the Company have also approved the said appointment vide Special Resolution passed through Postal Ballot on April 09, 2022.

During the year under review, all Independent Directors of the Company fulfilled the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 (the "Act") and Rules framed thereunder and Regulation 16(1) of the Listing Regulations and have furnished declaration of independence pursuant to Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations. The said declaration of independence was reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfil the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management.

A formal letter of appointment as provided in the Act and Listing Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors and the profile of Directors are disclosed on the website of the Company i.e. https://sequent.in/pdf/independent-director/Terms%20&%20Conditions%20of%20Independent%20Directors.pdf

Board Meetings held during the year

During the year ended March 31, 2022, 6 (Six) Board Meetings were held. These Meetings were held on June 30, 2021, August 10, 2021, November 01, 2021, December 15, 2021, January 14, 2022, and February 11, 2022.

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

Composition of the Board and Directorships during the year and as on date:

Name of Director	DIN	Category	Number of Directorships held in other public companies	Number of memberships in Board Committees	Chairmanships in Board Committees	Directorships held in other listed companies along with nature of Directorship
Dr. Kamal Sharma	00209430	C & NEID	3	2	-	• Lupin Ltd – NEID
Mr. Milind Sarwate	00109854	NEID	8	10	4	• Mahindra & Mahindra Financial Services Ltd – NEID • Matrimony.com Ltd – NEID • Metropolis Healthcare Limited– NEID • Asian Paints Ltd– NEID • FSN E-Commerce Ventures ltd– NEID
Dr. (Mrs.) Kausalya Santhanam	06999168	NEID	2	3	-	• Solara Active Pharma Sciences Limited – NEID • Strides Pharma Science Limited – NEID
Mr. Neeraj Bharadwaj	01314963	NENID	3	2	-	-
Mr. Rahul Mukim	06996915	NENID	2	2	1	-
Mr. Gregory Andrews	08904518	NENID	-	-	-	-
Dr. Fabian Kausche	08976500	NENID	-	-	-	-
Mr. Manish Gupta (Ceased to be a director on April 10, 2022)	06805265	ED	2	1	-	-
Mr. Sharat Narasapur	02808651	ED	2	-	-	-
Mr. Rajaram Narayanan (Appointed w.e.f. April 11, 2022)	02977405	ED	2	1	-	-

Abbreviations:
C = Chairman
ED = Executive Director
NENID = Non-Executive Non-Independent Director
NEID = Non-Executive Independent Director

Notes:

1. Number of Directorships held in other public companies excludes Directorship of Sequent Scientific Limited, 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 including Sequent Scientific Limited are considered.
3. Due to exceptional circumstances caused by COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021-22 were held through Video Conferencing.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26(1) of the 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 Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

Inter-se relationship among Directors

There is no inter-se relationship amongst any of the Directors of the Company during the year under review.

Separate Meeting of Independent Directors

In terms of provisions of the Act and Regulation 25 of the Listing Regulations, the Independent Directors met on March 14, 2022, without the presence of Non-Independent Directors.

The Independent Directors in their Meeting held on March 14, 2022, inter-alia:

i. reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-Executive Directors;

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

Familiarisation programme for Independent Directors

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

The details on familiarisation programme are disclosed on the website of the Company at https://sequent.in/pdf/independent-director/Familarization_Programme_2021-2022.pdf

Skills/ Expertise/ Competencies of the Board of Directors

Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, the Company has set out below the chart/ matrix setting out the skills/expertise/competence of the Board of Directors of the Company along with names of directors who possesses such skills/expertise/competence.

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	Manish Gupta	Sharat Narasapur	Kamal Sharma	Milind Sarwate	Kausalya Santhanam	Neeraj Bharadwaj	Rahul Mukim	Fabian Kausche	Gregory Andrews	Rajaram Narayanan
Pharmaceutical Industry Experience	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
Global Regulatory Requirements	✓	✓	✓	X	✓	X	X	✓	X	✓
Knowledge about Peer Companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrepreneurship	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
Environment/ Sustainability/ Corporate Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy & Business Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Quality Assurance	X	✓	✓	✓	✓	X	X	X	X	X
Finance, Accounting & Taxation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Statutory/ Regulatory Compliance	✓	✓	✓	✓	✓	X	X	X	X	✓
Human Resources/ Industrial Relations	X	✓	✓	✓	X	✓	X	✓	X	✓
Risk Management & Mitigation	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
Stakeholder Communication/ Investor Relations	✓	✓	✓	✓	X	✓	✓	✓	✓	✓

Attendance at Board Meetings and last Annual General Meeting

During, the year ended March 31, 2022, the Board met 6 (Six) times and all the directors attended 6 (six) meetings held during the year. Further, all the directors attended the Annual General Meeting of the Company held on September 21, 2021.

3. Audit Committee

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

Terms of Reference

The Company has an independent Audit Committee. The composition, procedures, powers and role/functions of the Audit Committee, constituted by the Company, comply with requirements of the Act and the Listing Regulations.

The Audit Committee has the following responsibilities/ powers:

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   b. Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.
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 existing as on the date of coming into force of this provision.
23. To review management discussion and analysis of financial condition and results of operations;
24. To review statement of significant related party transactions (as defined by the audit committee), submitted by management;
25. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
26. To review internal audit reports relating to internal control weaknesses;
27. Appointment, removal and terms of remuneration of the chief internal auditor;
28. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
29. 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 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Non-Executive Non-Independent Director. The Members of the Audit Committee as on March 31, 2022, are:

1. Mr. Milind Sarwate-Chairman
2. Dr. Kamal Sharma-Member
3. Mr. Rahul Mukim-Member

During the year ended March 31, 2022, 10 (Ten) Audit Committee Meetings were held on May 17, 2021, June 26, 2021, June 28, 2021, June 29, 2021, June 30, 2021, August 10, 2021, September 29, 2021, November 01, 2021, February 10, 2022, and March 14, 2022. The Company Secretary of the Company also acts as the secretary to this Committee.

All the Committee members attended the 10 (ten) meetings held during the year.

4. Nomination and Remuneration Committee

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

Terms of reference

The role of the NRC includes the following:

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

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 Nomination Committee as on March 31, 2022, are:

1. Mr. Milind Sarwate-Chairman
2. Dr. Kamal Sharma-Member
3. Mr. Neeraj Bharadwaj-Member

During the year ended March 31, 2022, 5 (Five) NRC Meetings were held on June 29, 2021, August 10, 2021, September 15, 2021, January 14, 2022 and February 22, 2022. The Company Secretary of the Company acts as the secretary to this Committee.

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

Name of the Member	Chairperson / Member	No. of Meetings held during the period in which the said Member was on Committee	No. of Meetings attended
Mr. Milind Sarwate	Chairman	5	5
Dr. Kamal Sharma	Member	5	5
Mr. Neeraj Bharadwaj	Member	5	4

Remuneration Policy

The Committee recommends the compensation package to the executive directors of the Company. The remuneration includes salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high calibre talent. The Policy is available at the following link: http://www.sequent.in/pdf/policies/Nomination-Remuneration-Policy_2019.pdf.

Remuneration paid to Directors

(₹ in Million)

Name of the Director	Salary	Perquisites	Sitting Fees	Commission	Total
Mr. Manish Gupta Managing Director & Chief Executive Officer	11.23	68.08	-	-	79.31
Mr. Sharat Narasapur (Joint Managing Director)	-	-	-	-	-
Dr. (Mrs.) Kausalya Santhanam (Independent Director)	-	-	0.70	0.39	1.09
Dr. Kamal Sharma (Independent Director)	-	-	2.40	0.39	2.79
Mr. Milind Sarwate (Independent Director)	-	-	2.50	0.39	2.89
Mr. Gregory Andrews (Non-executive Director)	-	-	0.60	0.78	1.38
Dr. Fabian Kausche (Non-executive Director)	-	-	0.60	0.78	1.38

Note: #Total remuneration of Mr. Manish Gupta excludes Company's contribution to Provident Fund of ₹1.03 Million. Mr. Manish Gupta also received remuneration of ₹11.82 Million from Alivira Animal Health Limited, a Wholly-Owned Subsidiary of the Company for the financial year 2021-22. Mr. Sharat Narasapur received remuneration of ₹14.86 Million from Alivira Animal Health Limited, a Wholly-Owned Subsidiary of the Company for the financial year 2021-22.

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 any Managing Directors/Whole-time Directors.

During the financial year 2021-22, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Meetings of Board and Committee of the Company and commission on profit. The Company pays ₹1,00,000/- to the Non-Executive Directors (excluding Mr. Neeraj Bharadwaj and Mr. Rahul Mukim who are employees of Carlyle,) for attending a Meeting of Board of Directors and the Committees of the Board and commission upto 2% of the net profits of the Company.

The Managing Director and the Joint Managing Director are 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.

Stock options

The details of Stock Options held by Mr. Manish Gupta, Managing Director & Chief Executive Officer and Mr. Sharat Narasapur, Joint Managing Director under SeQuent Scientific Employee Stock Option Plan 2010 and SeQuent Scientific Limited Employee Stock Option Plan 2020 as on March 31, 2022, are given as under:

Name of Executive Director	Mr. Manish Gupta, Managing Director & Chief Executive Officer		Mr. Sharat Narasapur, Joint Managing Director	
	ESOP 2010	ESOP 2020	ESOP 2010	ESOP 2020
Options granted	25,00,000	40,00,000	5,00,000	5,00,000
Options vested	25,00,000	8,00,000	3,12,500	1,00,000
Options exercised	25,00,000	8,00,000	3,12,500	1,00,000
Options Cancelled	-	32,00,000	1,87,500	NIL
Options outstanding	NIL	NIL	NIL	4,00,000

The Company has granted 40,00,000 Class A options, 22,00,000 Class B options and 9,00,000 Class C options to Mr. Rajaram Narayanan, who was appointed as Managing Director & Chief Executive Officer of the Company on April 11, 2022 and the said options are convertible into equivalent number of Equity Shares of ₹2/- (Indian Rupees Two only) each of the Company at a price of ₹86/- (Indian Rupees Eighty Six only) per Equity Share under the SeQuent Scientific Limited Employee Stock Option Plan 2020.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee (SRC) has been constituted in terms of the provisions related thereto in the Act and Regulation 20 of the Listing Regulations under the chairmanship of a Non-Executive Director.

Terms of Reference:

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 the Committee

As on March 31, 2022 the SRC has 3 (Three) Members consisting of 2 (Two) Non-Executive Directors and 1 (One) Executive Director of the Company. The Members of the Committee as on March 31, 2022, are as under:

1. Mr. Rahul Mukim-Chairman
2. Mr. Milind Sarwate-Member
3. Mr. Manish Gupta-Member

Consequent to resignation of Mr. Manish Gupta as Managing Director & Chief Executive Officer of the Company on April 10, 2022 and appointment of Mr. Rajaram Narayanan as Managing Director & Chief Executive Officer of the Company on April 11, 2022, Mr. Rajaram Narayanan was inducted as a Member of the Committee in place of Mr. Manish Gupta w.e.f April 11, 2022.

During the year ended March 31, 2022, 1 (One) Meeting was held on March 14, 2022 and all the Committee Members attended the said meeting.

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

Shareholders Complaint details: No complaints were received from Shareholders of the Company during the year ended March 31, 2022. There were no complaints pending as on March 31, 2022.

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

6. Corporate Social Responsibility Committee (CSR)

As on date, the CSR Committee has 3 (Three) Members consisting of 2 (Two) Non-Executive Directors and 1 (One) Executive Director of the Company. The following are the Members of the Committee as on March 31, 2022:

1. Dr. Kamal Sharma-Chairman
2. Mr. Rahul Mukim-Member
3. Mr. Sharat Narasapur-Member

During the year ended March 31, 2022, 2 (Two) CSR Committee Meetings were held. These Meetings were held on June 24, 2021 and March 22, 2022. All the Committee Members attended both the meetings held during the year.

The CSR Committee is constituted by the Board in accordance with the Act to:

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

A Report on CSR Activities carried out by the Company during FY 2021-22 is provided as an Annexure 4 to the Board's Report.

7. Risk Management Committee (RMC)

As on March 31, 2022, the RMC has 3 (Three) Members consisting of 2 (Two) Non-Executive Directors and a Chief Financial Officer of the Company. The following are the Members of the Committee as on March 31, 2022:

1. Mr. Neeraj Bharadwaj-Chairman
2. Mr. Milind Sarwate-Member
3. Mr. Tushar Mistry-Member

During the year ended March 31, 2022, 2 (Two) Risk Management Committee Meetings were held on September 23, 2021 and March 21, 2022. All the Committee members attended both the meetings held during the year. Mr. Rajaram Narayanan was appointed as a member of the Risk Management Committee on May 25, 2022 in place of Mr. Tushar Misty.

In terms of the Listing Regulations, Mr. Phillip Trott, Associate Vice President-Legal, Secretarial & Compliance was designated as Chief Risk Officer of the Company by the Risk Management Committee at their Meeting held on March 21, 2022.

The RMC Committee is constituted by the Board in accordance with the Listing Regulations to:

(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 Risk Management Committee.

(7) The Risk Management Committee 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 Risk Management Committee 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.

8. Ethics and Governance Committee

The Ethics and Governance Committee was voluntarily constituted by the Board of Directors of the Company on February 03, 2021 and was further re-constituted on February 11, 2022. As on date the Committee Members are Dr. Kausalya Santhanam, Independent Director, Mr. Rahul Mukim, Non-Executive Director, Mr. Prasad Lad, VP-HR & Admin and Mr. Phillip Trott, AVP-Legal, Secretarial and Compliance.

Terms of Reference:

1. To monitor the functioning of the below mentioned codes/policies:
   a) Anti-Money Laundering & Counter Terrorist Financing Policy
   b) Anti-Corruption Compliance Policy
   c) Prevention of Sexual Harassment Policy
   d) Whistle Blower Policy

2. To do preliminary investigation and present issues with recommendation to appropriate Committees.

Ethics and Governance Committee Meeting was held on April 14, 2022, and all the Committee Members attended the Meeting.

Notes:

1. Due to exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Committee meetings in FY 2021-22 were held through Video Conferencing.

9. General Body Meetings:

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

Financial Year	Date and Time	Venue	Special Resolutions
2018-19	Thursday, August 29, 2019 at 11:30 A.M.	Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the re-appointment of Dr. (Mrs.) Kausalya Santhanam as an Independent Director of the Company • To approve the re-appointment of Dr. Gopakumar Nair as an Independent Director of the Company • Continuation of Directorship of Dr. Gopakumar Nair as an Independent Director of the Company • To approve the re-appointment of Mr. Manish Gupta as Managing Director of the Company • To approve re-appointment of Mr. Sharat Narasapur as Joint Managing Director of the Company
2019-20	Tuesday, August 25, 2020 at 11:00 A.M.	Meeting conducted through Video Conference (VC) / Other Audio Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs	• Amendment to Articles of Association of the Company
2020-21	Tuesday, September 21, 2021 at 04:00 P.M.	Meeting conducted through Video Conference (VC) / Other Audio Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs	None

No Extra-Ordinary General Meeting was held during the year under review.

Details of resolutions passed through Postal Ballot:

During the year under review, 1 (One) Postal Ballot process took place in 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 General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 ('MCA Circulars'). 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 Secretaries, 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 had followed the procedure relating to Postal Ballot and E-voting pursuant to applicable provisions of Companies Act, 2013 read with Rules thereto and the provisions of the Listing Regulations. The result of Postal Ballot was 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 process conducted during the financial year 2021-22 is provided herein below:

Date of Postal Ballot Notice: January 14, 2022

Voting Period: March 11, 2022 to April 09, 2022

Date of Approval by the Members: April 09, 2022

Date of Declaration of Result: April 10, 2022

Sr. No.	Particulars of the resolution	Type of resolution	No. of votes polled	Votes cast in favor		Votes cast against	
				No. of votes	%	No. of votes	%
1	Appointment of Mr. Rajaram Narayanan as Managing Director and Chief Executive Officer of the Company	Special	14,66,81,748	14,44,05,933	98.4485	2275815	1.5515
2	Grant of ESOPS of more than 1% of the issued capital to Mr. Rajaram Narayanan	Special	14,66,81,631	14,16,72,671	96.5851	50,08,960	3.4149

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

10. Means of Communication:

1. The quarterly 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.
2. The results are published generally in Financial Express (English) and Mumbai Lakshadeep (Marathi) newspapers.
3. The results and shareholding pattern of the Company are displayed on the website of the Company i.e. www.sequent.in
4. 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
5. The presentations made to analysts and investors are displayed on the website of the Company i.e. www.sequent.in
6. The Company conducts an 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.

11. Disclosures:

1. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note 45 to the standalone financial statements in the Annual Report.

   During the year under review, the Company has formulated a revised Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions in the line with the amended Listing Regulations and the same can be accessed at https://www.sequent.in/pdf/policies/Sequent_Policy%20on%20RPT%20&%20Material%20Subsidiary_2019.pdf

2. The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India ("SEBI") and other statutory authorities on matters relating to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.
3. The Company is in compliance with all mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
4. The Company had appointed PricewaterhouseCoopers Services LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2021-22. 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.
5. Pursuant to provisions of Section 177(9) of the Act and Listing Regulations, the Company has established the Vigil Mechanism, as part of the Whistle Blower Policy, for the Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct.

   It also provides adequate safeguards against the victimisation of employees who avail this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Board confirms that no personnel have been denied access to the Audit Committee.

   During the year under review, the Company has formulated a revised Whistle Blower policy and the same can be accessed at http://www.sequent.in/pdf/policies/Sequent_Whistle%20Blower%20Policy_2019.pdf.

6. During the year ended March 31, 2022, 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.
7. In addition to the same, your Company also strives to adhere and comply with the discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the Listing Regulations, to the extent applicable.

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

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

8. 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 were received and no complaints were pending as on March 31, 2022.

12. Details of Shareholding of Non-Executive Directors:

The Non-Executive Directors of the Company does not hold any shares in the Company.

13. General shareholder information

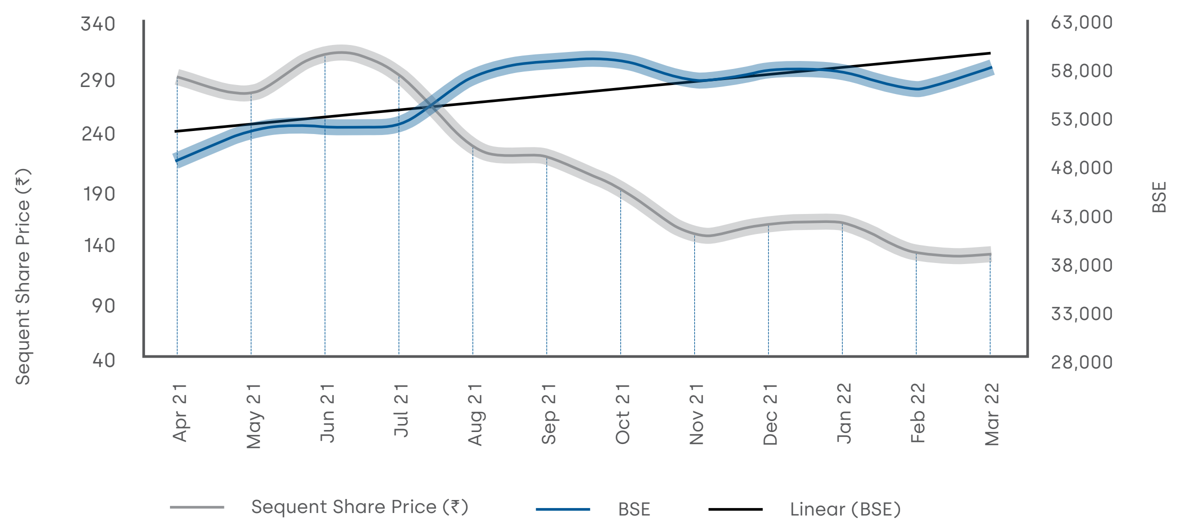
AGM: Date, Time and Venue	September 20, 2022 at 04:00 p.m. (IST) through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.
Financial Year	April 1 to March 31
First Quarter Results	On or before August 14, 2022
Second Quarter Results	On or before November 14, 2022
Third Quarter Results	On or before February 14, 2023
Fourth Quarter Results	On or before May 30, 2023
Listing on Stock Exchanges	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Stock Code: 512529 **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: SEQUENT ISIN: INE807F01027 The Company has paid listing fees for the financial year 2022-23 to the Stock Exchanges
Registrar & Transfer Agents	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Karvy Selenium, Tower - B, Plot No. 31 & 32, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032
Registrar & Transfer Agents	The Shares of the Company are tradable compulsorily in demat mode.
Address for Correspondence	Mr. Krunal Shah Company Secretary & Compliance Officer SeQuent Scientific Limited 301, 'Dosti Pinnacle', Plot No. E7, Road No.22, Wagle Industrial Estate, Thane (West) - 400 604 Email: investorrelations@sequent.in

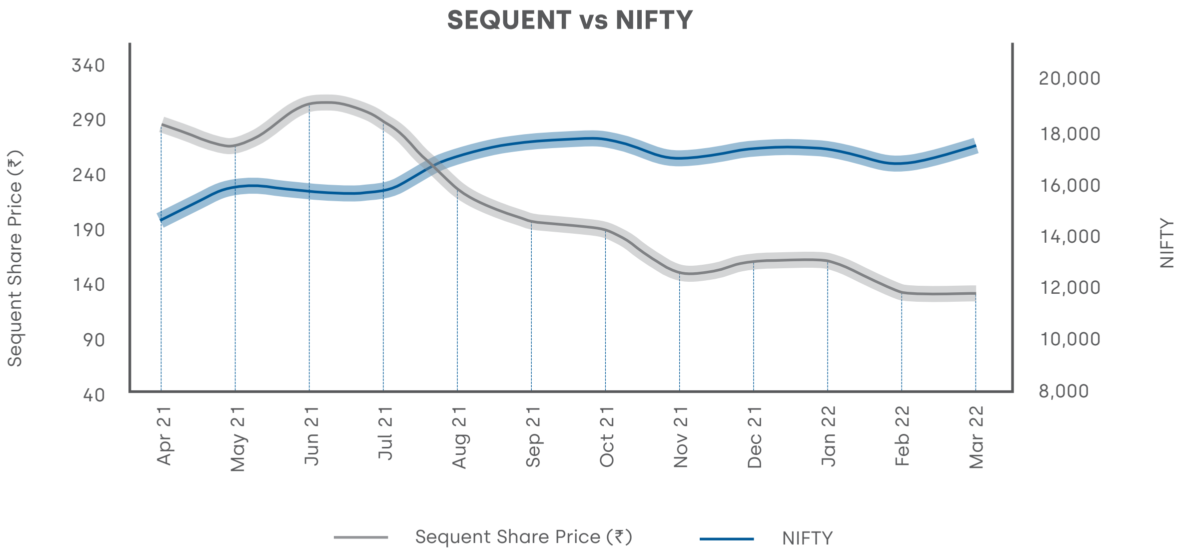
Market Price Data (High, Low during each month in financial year 2021-22)

(Amt. in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April 2021	311.95	235.15	312.00	235.50
May 2021	299.40	253.55	299.70	253.35
June 2021	336.40	258.50	336.50	258.50
July 2021	319.00	266.50	319.15	266.50
August 2021	298.90	224.25	296.15	224.40
September 2021	239.50	198.20	239.70	198.00
October 2021	226.50	177.30	226.65	176.95
November 2021	194.85	144.95	194.90	144.75
December 2021	185.00	150.45	185.00	150.50
January 2022	204.45	158.20	203.00	158.40
February 2022	168.20	127.00	168.20	126.75
March 2022	144.25	121.00	144.35	120.95

Performance in Share comparison to BSE and NSE Indices





Distribution Schedule as on March 31, 2022

Range	No. of Shareholders*	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% of Total Paid Up Capital
1-5000	186982	97.85	136409800	68204900	13.73
5001 - 10000	2284	1.20	33535764	16767882	3.38
10001 - 20000	964	0.50	28517192	14258596	2.87
20001 - 30000	330	0.17	16331136	8165568	1.64
30001 - 40000	134	0.07	9666512	4833256	0.97
40001 - 50000	83	0.04	7482744	3741372	0.75
50001 - 100000	150	0.08	22140892	11070446	2.23
100001 & Above	165	0.09	739399940	369699970	74.42
Total:	**191092**	**100.00**	**993483980**	**496741990**	**100.00**

Bifurcation of shares held in physical and demat as on March 31, 2022

Particulars of Equity Shares	Equity Shares of ₹2 each	
	Number	% of Total
NSDL	21,34,20,037	85.93
CDSL	3,49,13,428	14.06
Sub-Total	24,83,33,465	99.99
Physical	37,530	0.01
Total	**24,83,70,995**	**100.00**

Shareholding pattern of Equity Shares as on March 31, 2022

Category	Number of Shareholders	Number of Shares held	% to total paid up Capital
Promoters & Promoter Group Companies	1	13,16,80,103	53.02
Bodies Corporate	1,129	1,95,25,743	7.86
Banks / Mutual Funds/ Financial Institutions (FIs)	5	7,55,426	0.30
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	30	1,45,11,706	5.84
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	2,961	31,15,722	1.25
Resident Individuals	1,84,370	6,86,39,142	27.64
Directors (Excluding promoter directors) & their relatives	2	3,81,388	0.15
Alternate Investment Fund	8	16,31,028	0.66
Trusts	7	52,390	0.02
Others (HUF/IEPF/ESOP Trust/ Clearing Members/QIB	2,579	80,78,347	3.25
Total	**1,91,092**	**24,83,70,995**	**100.00**

Framework for Monitoring Subsidiary Companies

Pursuant to Regulation 24(1) of Listing Regulations, appointment of one of the Independent Directors of the Company on the Board of Material Subsidiaries were applicable only to following Subsidiaries:

1. M/s. Alivira Animal Health Limited, India (AAHL India)
2. M/s. Alivira Animal Health Limited, Ireland (AAHL Ireland)
3. M/s. Laboratorios Karizoo, S.A., Spain (Karizoo)

Dr. Kamal Sharma, Chairman of the Board and Independent Director of the Company is also an Independent Director of AAHL India and Dr. Kausalya Santhanam, Independent Director of the Company is also a Director of AAHL Ireland and Karizoo.

Change in Registrar and Share Transfer Agent

No Change during the year under review.

Outstanding ADRs/GDRs/warrants/ other convertible instruments:

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

ESOPs:

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

a) SeQuent Scientific Employee Stock Option Plan 2010 and

b) SeQuent Scientific Limited Employees Stock Option Plan 2020

The details as required to be disclosed under Section 62 of the Act read with Rule 1 of 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) are given in 'Annexure 6' of the Board's Report. 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.

Recommendations of the committees

During the year under review, the Board has accepted all recommendations made by the Audit Committee and Nomination and Remuneration Committee.

Succession Plan for Directors

The Nomination and Remuneration Committee (NRC) assist the Board in identifying and selecting new directors in the event of an anticipated or an unanticipated vacancy in the Board.

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

Fees paid to 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: ₹17.26 Million.

Particulars	₹ In Million
For Statutory Audit	13.30
For any other services including reimbursement of expenses	3.96

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" (upgraded from "IND A" with outlook being "positive") 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) assigned the rating as "IND A1+" (upgraded from "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.

Plant Locations

Interchange, Brazil Rua João Baptista de Queiroz Júnior, 447 Jd. Myriam | ZIP 13.098-415 Campinas-SP	Karizoo, Spain Polig. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui (Barcelona) Spain	Provet Veteriner Ürünleri San. ve Tic. A. S., Turkey: Polatlı Organise Sanayi Bölgesi 210., Cad de no:7 Polatlı/ Ankara, Turkey
Alivira Animal Health Limited Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam, Andhra Pradesh, India	Alivira Animal Health Limited Plot Nos. A-68/69, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra, India	SeQuent Scientific Limited Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar Dist. Thane, Maharashtra, India
SeQuent Scientific Limited Plot Nos. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad. Maharashtra	Bremer Pharma GmBH Werkstr. 42 34414 Warburg Deutschland	

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 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 Listing Regulations, is attached to this Report.

The same is appended to this report as an '**Annexure A'.**

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 Listing Regulations, is attached to this Report.

The same is appended to this report as **'Annexure B'.**

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 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 Listing Regulations.

Annual Secretarial Compliance Report

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Nilesh Shah & Associates, Practicing Company Secretary confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

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 https://sequent.in/pdf/code-of-conduct/Code%20of%20Conduct%20&%20Ethics_Board%20of%20Directors.pdf. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year 2021-22.

A declaration to this effect signed by Mr. Sharat Narasapur, Joint Managing Director is reproduced below:

In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2021-22.

Note: The information given herein above is as of March 31, 2022, unless otherwise stated.

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

Place: Thane
Date: May 25, 2022

Sharat Narasapur
Joint Managing Director

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
301, 3rd Floor, Dosti Pinnacle,
Plot No. E7, Road No.22,
Wagle Industrial Estate,
Thane West – 400 604

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sequent Scientific Limited**, having **CIN: L99999MH1985PLC036685** and having registered office situated at 301, 3rd Floor, Dosti Pinnacle, Plot No.E7, Road No. 22, Wagle Industrial Estate, Thane West – 400 604 (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, 2022** 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.	Mr. Manish Gupta	06805265	12/11/2014
2.	Mr. Sharat Narasapur	02808651	08/01/2017
3.	Dr. Kamal Sharma	00209430	25/08/2020
4.	Dr. (Mrs.) Kausalya Santhanam	06999168	28/10/2014
5.	Mr. Milind Sarwate	00109854	25/08/2020
6.	Mr. Neeraj Bharadwaj	01314963	17/08/2020
7.	Mr. Rahul Mukim	06996915	17/08/2020
8.	Mr. Gregory Andrews	08904518	06/11/2020
9.	Mr. Fabian Kausche	08976500	14/12/2020

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:-

Name:- **Nilesh Shah (Partner)**

Date: May 25, 2022
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554D000390016

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Annexure B

Certificate on Corporate Governance

To the Members of
Sequent Scientific Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by **Sequent Scientific Limited** ('the Company'), for the financial year ended on 31st March, 2022, 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.

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:-

Name:- **Nilesh Shah (Partner)**

Date: 25.05.2022
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554D000389941

For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631

Note: Due to COVID-19 outbreak, in respect of the Audit, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic and partial physical inspection.

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 accompanying consolidated financial statements of Sequent Scientific Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, 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 significant 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, 2022, their consolidated profit including other comprehensive loss, 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, 2022. 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
Revenue Recognition under Ind AS 115, "Revenue from contracts with customers" (as described in Note 2 (vii) and 35 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. 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: • Read the Group's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns; • 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; • 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; • We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required; • Read and assessed the relevant disclosures made within the consolidated financial statements.
Impairment Assessment of Goodwill including Intangible Assets (as described in Note 4 and 5 of the consolidated financial statements)	
The Group has goodwill of ₹ 1,853.08 million and other intangible assets of ₹ 531.27 million respectively as at March 31, 2022 which includes goodwill/ intangible assets acquired through various business combinations and allocated to cash generating units of the Group. Impairment of goodwill and intangible assets is determined by assessing the recoverable amount of each cash generating unit to which these assets relate. The recoverable amount of the cash generating unit as at March 31, 2022 has been determined based on valuation techniques such as projected future cash inflows, etc. Significant judgements are used to estimate the recoverable amount of these intangible assets and goodwill. Further, during the year there has been significant depreciation of Turkish Lira. Accordingly, 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: • 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. • 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. • 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. • 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 • We evaluated the assumptions applied to key inputs such as future sales volume, sales price, operating costs, terminal value growth rates. • We tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units. • We involved valuation experts to assist in evaluating key assumptions used in the impairment testing performed by the management and its specialists. • We assessed the disclosures provided by the Group in relation to its annual impairment test in notes to 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 income, 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 the Group 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 the Group 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 the Group.

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, 2022 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, in respect of Fifteen subsidiaries whose financial statements include total assets of ₹ 13,692.84 million as at March 31, 2022, and total revenues of ₹ 9,430.82 million and net cash outflows of ₹ 130.18 million for the year ended on that date. These financial statement 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.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of four subsidiaries whose financial statements and other financial information reflect total assets of ₹ 61.79 million as at March 31, 2022, and total revenues of ₹ 77.25 million and net cash outflows of ₹ 10.64 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 by the respective auditor in the Companies (Auditors Report) Order (CARO) report 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 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;

   (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, 2022 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's companies incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls 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 2" to this report;

   (g) 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, 2022 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, 2022;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2022;

      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 that, to the best of its knowledge and belief, 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 that, to the best of its knowledge and belief, 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) The dividend declared and paid by the Holding Company, its subsidiaries companies incorporated in India during the year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPSWJ1285

Place of Signature: Mumbai
Date: May 25, 2022

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, 2022, 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 and its subsidiary, which are incorporated in India, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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, which are companies incorporated in India, have, 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, 2022, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 2 subsidiaries which are companies incorporated in India, is based on the corresponding report of the auditor of subsidiary incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPSWJ1285

Place of Signature: Mumbai
Date: May 25, 2022

Consolidated Balance Sheet

as at 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Notes	As at 31 March 2022	As at 31 March 2021
A	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3a	2,200.53	2,173.19
	(b) Right-of-Use assets (ROU)	3b	964.77	1,017.54
	(c) Capital work-in-progress	-	88.13	287.83
	(d) Goodwill	4	1,853.08	1,742.01
	(e) Other intangible assets	5	531.27	423.85
	(f) Intangible assets under development	-	28.19	20.06
	(g) Financial assets			
	(i) Investments	6	367.91	769.39
	(ii) Other financial assets	7	108.29	48.94
	(h) Deferred tax assets (net)	26	291.98	205.07
	(i) Income tax assets (net)	8	104.82	91.76
	(j) Other non-current assets	9	8.97	10.10
	Total non-current assets		**6,547.94**	**6,789.74**
2.	**Current assets**			
	(a) Inventories	10	3,479.74	2,643.57
	(b) Financial assets			
	(i) Investments	11	14.37	56.55
	(ii) Trade receivables	12	3,292.41	3,461.37
	(iii) Cash and cash equivalents	13	574.96	537.44
	(iv) Bank balances other than (iii) above	14	17.57	24.52
	(v) Loans	15	2.52	1.90
	(vi) Other financial assets	16	11.71	107.63
	(c) Income tax assets (net)	17	7.69	4.53
	(d) Other current assets	18	466.04	298.34
	Total current assets		**7,867.01**	**7,135.85**
	Total assets		**14,414.95**	**13,925.59**
B	EQUITY AND LIABILITIES			
I	**Equity**			
	(a) Equity share capital	19	496.74	496.74
	(b) Other equity	20	6,427.33	6,779.77
	Equity attributable to owners of the Company		**6,924.07**	**7,276.51**
	(c) Non-controlling interest	21	480.06	486.65
	Total equity		**7,404.13**	**7,763.16**
II	**Liabilities**			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22	1,224.55	937.06
	(ii) Lease liabilities	23	418.52	453.97
	(iii) Other financial liabilities	24	16.10	-
	(b) Provisions	25	163.82	93.24
	(c) Deferred tax liabilities (net)	26	59.85	69.30
	(d) Other non-current liabilities	27	6.77	8.69
	Total non-current liabilities		**1,889.61**	**1,562.26**
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	28	1,924.36	1,309.91
	(ii) Lease liabilities	30	81.57	68.90
	(iii) Trade payables	29	2,580.45	2,269.10
	(iv) Other financial liabilities	31	208.15	473.60
	(b) Provisions	32	73.05	69.12
	(c) Current tax liabilities (net)	33	82.34	226.55
	(d) Other current liabilities	34	171.29	182.99
	Total current liabilities		**5,121.21**	**4,600.17**
	Total liabilities		**7,010.82**	**6,162.43**
	Total equity and liabilities		**14,414.95**	**13,925.59**
	Significant Accounting Policies	2		

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

For and on Behalf of the Board of Directors

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Notes	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	35	14,128.16	13,616.15
II	Other income	36	108.45	83.63
III	**Total income (I+II)**		**14,236.61**	**13,699.78**
IV	Expenses			
	(a) Cost of materials consumed	37.a	6,705.22	5,886.65
	(b) Purchases of stock-in-trade	37.b	1,718.89	1,450.19
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37.c	(494.15)	(390.27)
	(d) Employee benefits expense	38	2,313.68	1,872.23
	(e) Finance costs	39	157.74	243.83
	(f) Depreciation and amortisation expenses	40	510.85	505.98
	(g) Other expenses	41	2,790.52	2,676.65
	Total expenses (IV)		**13,702.75**	**12,245.26**
V	**Profit before tax and exceptional item (III-IV)**		533.86	1,454.52
VI	Exceptional items	42	-	88.23
VII	Profit before tax (V-VI)		533.86	1,366.29
VIII	Tax expense / (credits)	43		
	(a) Current tax		257.28	320.99
	(b) Deferred tax		(53.72)	(28.60)
	(c) Current tax of prior period (reversed) / provided		(120.30)	29.38
	Total tax expenses		**83.26**	**321.77**
IX	Profit after tax (VII-VIII)		450.60	1,044.52
X	**Other comprehensive income / (expenses)**	20		
A.	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) on defined benefit plans		0.14	3.60
	(b) Fair value gain / (loss) from investment in equity instruments		(400.67)	1,030.11
	(c) Income tax relating to items that will not be reclassified to profit or loss		(0.16)	(85.86)
	(d) Deferred tax relating to items that will not be reclassified to profit or loss		45.12	(40.52)
B.	Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		(605.80)	(127.07)
	(b) Exchange differences on net investment in foreign operations		(125.23)	(136.02)
	Total other comprehensive expenses (net of tax)		**(1,086.60)**	**644.24**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		(636.00)	1,688.76
	Profit for the year attributable to:			
-	Owners of the Company		412.51	954.42
-	Non-controlling interest		38.09	90.10
			450.60	**1,044.52**
	Other comprehensive income / (expenses) for the year attributable to:			
-	Owners of the Company		(1,083.75)	650.04
-	Non-controlling interest		(2.85)	(5.80)
			(1,086.60)	**644.24**
	Total comprehensive income / (expenses) for the year attributable to:			
-	Owners of the Company		(671.24)	1,604.46
-	Non-controlling interest		35.24	84.30
			(636.00)	**1,688.76**
	Earnings per equity share	45		
	(1) Basic (in ₹)		1.67	3.87
	(2) Diluted (in ₹)		1.65	3.85
	Significant Accounting Policies	2		

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

For and on Behalf of the Board of Directors

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities			
Net profit before tax and exceptional items		533.86	1,454.52
Adjustments for:			
Depreciation and amortisation expenses		510.85	505.98
Unrealised forex (gain) / loss (net)		(63.03)	42.16
Bad trade receivables written off		3.26	30.31
Bad loans and advances written off		1.16	-
Allowance for doubtful trade receivables provided / (written back)		(0.15)	(21.32)
Finance costs		157.74	243.83
Dividend income		(1.66)	(9.95)
Interest income		(2.41)	(6.26)
Miscellaneous income		-	(7.46)
(Profit) / loss on sale of property, plant and equipment (net)		0.69	(6.98)
Gain on sale of investments		(3.18)	(25.79)
Fair value gain on financial instruments at fair value through profit or loss		-	(0.17)
Property, plant and equipment written off		0.34	30.69
Lease liability written back (net)		(3.89)	(7.57)
Expenses pertaining to share-based payment to employees		333.01	72.34
Operating profit before working capital changes		**1,466.59**	**2,294.33**
Changes in working capital			
Decrease in trade receivables, loans and advances and other assets		(407.24)	(394.75)
Increase in inventories		(1,147.33)	(456.17)
Decrease in margin money and unpaid dividend accounts		6.95	52.77
Increase in trade payables, other payables and provisions		654.65	89.29
Net change in working capital		**(892.97)**	**(708.86)**
Cash generated from operations		**573.62**	**1,585.47**
Income taxes paid (net)		(267.67)	(437.93)
Net cash generated from operating activities	**A**	**305.95**	**1,147.54**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		(324.64)	(528.30)
Proceeds from disposal of property, plant and equipment and intangible assets		11.91	82.60
Proceeds from sale of long term investments		-	1,573.44
(Purchase) / sale of current investments (net)		37.48	357.30
Interest received		2.77	6.91
Dividend received		1.49	9.33
Consideration paid on acquisition of new subsidiary company		(234.89)	-
Consideration paid on acquisition of additional share from NCI		(449.78)	(1,404.80)
Net cash generated from / (used in) investing activities	**B**	**(955.66)**	**96.48**

Statement of Cash Flows

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from financing activities			
Proceeds from stock options exercised by employees		21.16	104.49
Proceeds from stock options pending allotment		91.38	
Proceeds from long-term borrowings		674.98	879.46
Payment of lease liabilities		(48.76)	(76.27)
Repayment of long-term borrowings		(313.10)	(1,618.30)
Proceeds from / (repayment of) short-term borrowings (net)		549.24	(435.31)
Interest and other borrowing cost paid		(162.12)	(227.50)
Dividend distribution to Non-controlling interest (NCI)		(16.77)	(14.25)
Equity contribution by NCI		-	0.14
Dividends paid		(123.44)	-
Net cash generated from / (used in) financing activities	**C**	**672.57**	**(1,387.54)**
Net increase / (decrease) in cash and cash equivalents during the year	**(A+B+C)**	22.86	(143.52)
Cash and cash equivalents at beginning of the year (refer note 13)		537.44	680.96
Cash & cash equivalents acquired pursuant to acquisition of subsidiary		14.66	-
Cash and cash equivalents at end of the year (refer note 13)		**574.96**	**537.44**

Note: The 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

As at 31st March 2022	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	2,770	862	17	3,649.00
Total liabilities from financing activities	**2,770**	**862**	**17**	**3,649.00**

As at 31st March 2021	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	4,050	(1,250)	(29)	2,770
Total liabilities from financing activities	**4,050**	**(1,250)**	**(29)**	**2,770**

Significant accounting policies (Refer note 2)

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

For and on Behalf of the Board of Directors

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	24,83,70,995	496.74	24,83,70,995	496.74
Issued during the year	-	-	-	-
Balance at the end of the year	**24,83,70,995**	**496.74**	**24,83,70,995**	**496.74**

(b) Other equity

	Reserves & surplus (note 20) Attributable to equity shareholders													
	Share application money pending allotment	Capital reserve	Securities premium account	Share options outstanding account	General reserve	Treasury reserve	Translation reserve	Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings	Reserve for equity instruments through other comprehensive income	Total	Non-controlling interest (note 21)	Total Equity
Opening balance as on 01 April 2020	-	24.80	8,603.82	140.90	226.98	(236.67)	(418.25)	(163.08)	(1,159.47)	(791.15)	146.42	6,374.30	447.37	6,821.67
Profit for the year	-	-	-	-	-	-	-	-	-	954.42	-	954.42	90.10	1,044.52
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	-	(257.29)	-	-	2.24	905.09	650.04	(5.80)	644.24
Total comprehensive income / (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(257.29)**	**-**	**-**	**956.66**	**905.09**	**1,604.46**	**84.30**	**1,688.76**
Recognition of share-based payments	-	-	-	60.51	-	-	-	-	-	-	-	60.51	-	60.51
Employee stock options issued during the year	-	-	-	-	-	147.24	-	-	-	-	-	147.24	-	147.24
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	-	(9.71)	(9.71)
Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	-	-	-	-	-	-	-	-	434.15	(434.15)	-	-	-
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	3.53	3.53
Recognition of put option liability during the year	-	-	-	-	-	-	-	(247.17)	-	-	-	(247.17)	-	(247.17)
Acquisition of minority interest	-	-	-	-	-	-	-	-	(1,159.57)	-	-	(1,159.57)	(24.73)	(1,184.30)
Premium on exercise of employee stock options	-	-	123.04	(123.04)	-	-	-	-	-	-	-	-	-	-
Vested ESOP lapsed during the year	-	-	-	(0.71)	0.71	-	-	-	-	-	-	-	-	-
Equity contribution by NCI shareholders	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(14.25)	(14.25)
Balance as at 31 March 2021	**-**	**24.80**	**8,726.86**	**77.66**	**227.69**	**(89.43)**	**(675.54)**	**(410.25)**	**(2,319.04)**	**599.66**	**617.36**	**6,779.77**	**486.65**	**7,266.42**
Profit for the year	-	-	-	-	-	-	-	-	-	412.51	-	412.51	38.09	450.60
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	-	(728.18)	-	-	0.14	(355.71)	(1,083.75)	(2.85)	(1,086.60)
Total comprehensive income / (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(728.18)**	**-**	**-**	**412.65**	**(355.71)**	**(671.24)**	**35.24**	**(636.00)**
Share application money pending allotment	91.38	-	-	-	-	-	-	-	-	-	-	91.38	-	91.38
Recognition of share-based payments	-	-	-	322.80	-	-	-	-	-	-	-	322.80	-	322.80
Employee stock options issued during the year	-	-	-	-	-	31.72	-	-	-	-	-	31.72	-	31.72
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	-	(20.27)	(20.27)
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	(4.79)	(4.79)
Recognition of put option liability during the year	-	-	-	-	-	-	-	410.25	-	-	-	410.25	-	410.25
Acquisition of minority interest	-	-	-	-	-	-	-	-	(413.91)	-	-	(413.91)	-	(413.91)
Premium on exercise of employee stock options	-	-	15.69	(15.69)	-	-	-	-	-	-	-	-	-	-
Vested ESOP lapsed during the year	-	-	-	(5.19)	5.19	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(123.44)	-	(123.44)	(16.77)	(140.21)
Balance as at 31 March 2022	**91.38**	**24.80**	**8,742.55**	**379.58**	**232.88**	**(57.71)**	**(1,403.72)**	**-**	**(2,732.95)**	**888.87**	**261.65**	**6,427.33**	**480.06**	6,907.39

Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

Significant accounting policies (Refer note 2)

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

For and on Behalf of the Board of Directors

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Notes

to the consolidated financial statements for the year ended 31 March 2022

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 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No. 22, Wagle Industrial Estate, Thane (W), Maharashtra - 400604, 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 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 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 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 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 (INR). All financial information presented in INR has been rounded to the nearest million (up to two decimals), except otherwise stated.

(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.

Notes

to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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

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

(v) Business combination

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

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

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

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the end of each reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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

Goodwill

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

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

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(vi) Non-current assets held for sale

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

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

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 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.

Notes

to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

Interest and dividend income

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

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

(viii) Leases

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)(a) Impairment of non-financial assets.

The 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. 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.

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(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 not capitalised but charged to the consolidated statement of profit and loss.

(x) Borrowing costs

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

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

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

(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.

Notes

to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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 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. 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.

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."

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(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

The tax currently payable is based 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 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. 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(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 equipments is provided prorata 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;

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All amounts are in ₹ million unless otherwise stated

- 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 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.

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(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 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 market place (regular way trade) are recognised on trade date. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

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

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

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or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

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

a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

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

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

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

(ii) 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.

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b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

(ii) Financial liabilities at FVTPL

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

(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.

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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.

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 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 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 receivables.

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 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.

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

(xx) Earnings per share

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.

(xxi) Insurance claims

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

(xxii) Cash and cash equivalents

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

(xxiii) Segment

Segments have been identified taking into account the nature of 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.

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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.

(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.

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

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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.

2B. Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

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3a Property, plant and equipment

Cost	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2020	89.19	1.10	1,140.25	50.85	34.72	50.64	2,152.74	118.42	3,637.91
Additions	-	2.37	73.24	6.49	5.79	9.73	161.22	27.28	286.12
Effect of foreign currency exchange differences	0.24	(0.12)	(23.07)	(1.28)	(0.23)	(0.20)	(21.72)	(13.90)	(60.28)
Deletions	-	-	116.17	2.37	3.87	5.84	74.55	16.02	218.82
Balance as on 31 March 2021	**89.43**	**3.35**	**1,074.25**	**53.69**	**36.41**	**54.33**	**2,217.69**	**115.78**	**3,644.93**
Additions	-	1.08	53.78	6.73	3.57	21.79	371.40	9.84	468.19
Additions on business combination (refer note 52)	-	-	-	1.63	-	0.13	4.67	-	6.43
Effect of foreign currency exchange differences	(4.30)	0.75	(40.04)	(2.57)	(1.70)	(1.08)	(58.50)	(25.69)	(133.13)
Deletions	-	-	1.98	0.03	0.05	0.20	15.10	3.40	20.76
Balance as on 31 March 2022	**85.13**	**5.18**	**1,086.01**	**59.45**	**38.23**	**74.97**	**2,520.16**	**96.53**	**3,965.66**

Accumulated depreciation	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2020	-	0.19	199.49	20.07	19.66	30.89	952.73	61.35	1,284.38
Depreciation expenses for the year (refer note 40)	-	0.06	54.43	6.08	6.67	9.93	239.17	20.72	337.06
Effect of foreign currency exchange differences	-	(0.02)	(5.14)	(1.61)	(0.45)	(0.38)	(20.38)	(7.68)	(35.66)
Deletions	-	-	44.95	1.43	3.70	5.64	46.56	11.76	114.04
Balance as on 31 March 2021	**-**	**0.23**	**203.83**	**23.11**	**22.18**	**34.80**	**1,124.96**	**62.63**	**1,471.74**
Depreciation expenses for the year (refer note 40)	-	0.86	50.26	6.33	6.94	10.42	275.61	17.81	368.23
Effect of foreign currency exchange differences	-	0.07	(7.54)	(2.55)	(1.28)	(0.98)	(38.96)	(15.78)	(67.02)
Deletions	-	-	1.63	0.02	0.04	0.19	5.23	0.71	7.82
Balance as on 31 March 2022	**-**	**1.16**	**244.92**	**26.87**	**27.80**	**44.05**	**1,356.38**	**63.95**	**1,765.13**

Carrying amount	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2021	89.43	3.12	870.42	30.58	14.23	19.53	1,092.73	53.15	2,173.19
Balance as on 31 March 2022	85.13	4.02	841.09	32.58	10.43	30.92	1,163.78	32.58	2,200.53

Notes:

1. Refer note 22 and 28 for charge created on the assets.

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3.b Right-of-Use assets (ROU)

Cost	ROU - Land	ROU - Building	ROU - Computer	ROU - Vehicles	ROU - Plant and machinery	Total
Balance as on 01 April 2020	673.59	416.49	10.66	22.23	41.94	1,164.91
Additions	-	4.58	-	1.59	0.93	7.10
Effect of foreign currency exchange differences	-	6.29	(0.16)	1.04	1.60	8.77
Deletions	-	26.26	-	5.74	1.20	33.20
Balance as on 31 March 2021	**673.59**	**401.10**	**10.50**	**19.12**	**43.27**	**1,147.58**
Additions	-	16.90	-	1.21	10.47	28.58
Effect of foreign currency exchange differences	-	2.08	(0.05)	0.04	(0.30)	1.77
Deletions	-	13.54	-	-	-	13.54
Balance as on 31 March 2022	**673.59**	**406.54**	**10.45**	**20.37**	**53.44**	**1,164.39**

Accumulated depreciation	ROU - Land	ROU - Building	ROU - Computer	ROU - Vehicles	ROU - Plant and machinery	Total
Balance as on 01 April 2020	8.88	39.89	3.98	8.75	7.87	69.37
Depreciation expenses for the year (refer note 40)	8.88	40.03	3.96	8.43	9.48	70.78
Effect of foreign currency exchange differences	-	0.17	(0.07)	0.42	0.21	0.73
Deletions	-	3.90	-	5.74	1.20	10.84
Balance as on 31 March 2021	**17.76**	**76.19**	**7.87**	**11.86**	**16.36**	**130.04**
Depreciation expenses for the year (refer note 40)	8.87	45.82	2.32	5.46	10.70	73.17
Effect of foreign currency exchange differences	-	0.42	0.02	(0.06)	(0.20)	0.18
Deletions	-	3.77	-	-	-	3.77
Balance as on 31 March 2022	**26.63**	**118.66**	**10.21**	**17.26**	**26.86**	**199.62**

Carrying amount	ROU - Land	ROU - Building	ROU - Computer	ROU - Vehicles	ROU - Plant and machinery	Total
Balance as on 31 March 2021	655.83	324.91	2.63	7.26	26.91	1,017.54
Balance as on 31 March 2022	646.96	287.88	0.24	3.11	26.58	964.77

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4 Goodwill

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,742.01	1,823.18
Additions on business combination (refer note 52)	235.29	-
Effect of foreign currency exchange differences	(124.22)	(81.17)
Balance at the end of the year	**1,853.08**	**1,742.01**

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:

	As at 31 March 2022	As at 31 March 2021
Turkey group	221.77	380.11
Spain group	668.13	679.50
Fendigo group	286.89	291.76
Interchange	182.75	149.39
N-Vet AB	108.78	112.87
Nourrie (refer note 52)	256.38	-
SeQuent Research Limited	94.53	94.53
Others	33.85	33.85
Total	**1,853.08**	**1,742.01**

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 2022	As at 31 March 2021
Discount rate	8% - 18%	8% - 24%
Long term growth rate	2% - 7%	2% - 8%

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. The goodwill is tested for impairment and accordingly no impairment charges were identified for year ended 31 March 2022 (31 March 2021: ₹ Nil).

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5 Other intangible assets

Cost	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 01 April 2020	97.89	111.76	640.85	72.46	66.13	989.09
Additions	-	46.50	14.90	-	20.13	81.53
Effect of foreign currency exchange differences	(3.75)	(1.81)	(18.79)	(7.51)	2.78	(29.08)
Deletions	-	5.56	-	-	37.95	43.51
Balance as on 31 March 2021	**94.14**	**150.89**	**636.96**	**64.95**	**51.09**	**998.03**
Additions	-	7.13	0.12	-	24.28	31.53
Additions on business combination (refer note 52)	-		27.13	106.76	-	133.89
Effect of foreign currency exchange differences	7.25	(3.65)	(10.84)	24.07	(0.85)	15.98
Balance as on 31 March 2022	**101.39**	**154.37**	**653.37**	**195.78**	**74.52**	**1,179.43**

Accumulated depreciation	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 01 April 2020	51.29	64.52	324.99	53.21	11.17	505.18
Amortisation expense for the year (refer note 40)	9.26	21.68	43.44	14.81	8.95	98.14
Effect of foreign currency exchange differences	(0.38)	(1.24)	(10.36)	(6.52)	0.15	(18.35)
Deletions	-	4.04	-	-	6.75	10.79
Balance as on 31 March 2021	**60.17**	**80.92**	**358.07**	**61.50**	**13.52**	**574.18**
Amortisation expense for the year (refer note 40)	7.15	27.13	20.29	3.71	11.17	69.45
Effect of foreign currency exchange differences	1.57	(2.78)	(8.04)	14.24	(0.46)	4.53
Balance as on 31 March 2022	**68.89**	**105.27**	**370.32**	**79.45**	**24.23**	**648.16**

Carrying amount	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 31 March 2021	33.97	69.97	278.89	3.45	37.57	423.85
Balance as on 31 March 2022	32.50	49.10	283.05	116.33	50.29	531.27

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6 Non-current investments

		Face Value	No. of shares	As at 31 March 2022	No. of shares	As at 31 March 2021
A	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**					
i)	Solara Active Pharma Science Limited	₹ 10.00	5,52,083	367.74	5,52,083	769.13
ii)	Accions Banc Sabadell	€ 0.13	-	-	2,800	0.12
iii)	Accions Caixabank	€ 1.00	440	0.12	440	0.06
iv)	Accions Bantierra	€ 60.11	-	-	5	0.03
	Total (A)			**367.86**		**769.34**
B	**Unquoted equity instruments**					
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 (B)			**0.05**		**0.05**
	Total (A + B)			**367.91**		**769.39**
	Aggregate carrying value of unquoted investments			0.05		0.05
	Aggregate market value of quoted investments			367.86		769.34

7 Other non-current financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Margin money deposits (refer note below)	0.51	-
Security deposits	37.10	46.21
Others	70.68	2.73
Total	**108.29**	**48.94**

Note:

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

8. Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision : ₹ 395.63) (31 March 2021 : ₹ 178.62)	104.82	91.76
	104.82	**91.76**

9. Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	0.58	3.18
Deposit with government authorities	1.09	1.73
Prepaid expenses	7.30	5.19
Total	**8.97**	**10.10**

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All amounts are in ₹ million unless otherwise stated

10 Inventories

	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials	1,290.46	917.14
Goods-in-transit	-	0.80
	1,290.46	**917.94**
Work-in-progress and intermediates	567.84	414.94
Finished goods	1,066.12	461.67
Stock-in-trade	494.70	648.20
Goods-in-transit	55.48	196.80
Fuel	4.97	3.76
Consumable	0.17	0.26
Total	**3,479.74**	**2,643.57**

Note:

During the year ended 31 March 2022, ₹ 19.05 (31 March 2021 : ₹ 47.75) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

11 Current investments

		Face value	No. of shares / units	As at 31 March 2022	No. of shares / units	As at 31 March 2021
A	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**					
i)	Transchem Limited	₹10.00	26,077	0.57	26,077	0.45
ii)	Techindia Nirman Limited	₹10.00	2,280	0.03	2,280	0.01
iii)	Agritech (India) Limited	₹10.00	6,300	0.78	6,300	0.19
	Total (A)			**1.38**		**0.65**
B	**Other unquoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**					
i)	Agrodutch Industries Limited	₹10.00	36,250	- *	36,250	- *
ii)	Aditya Investment & Communication Limited	₹10.00	58,800	- *	58,800	- *
	Total (B)			-		-
C	**Unquoted mutual funds - carried at fair value through profit or loss**					
i)	Aditya Birla Sun Life Liquid Fund - Regular Plan (Growth)	₹100	-	-	22,776	7.50
ii)	ICICI Prudential Ultra Short Term Fund - Regular Plan (Growth)	₹10	-	-	2,33,845	5.04
iii)	Nippon India Liquid Fund (G)	₹1,000	-	-	2,208	11.03
iv)	UTI Liquid Cash Plan RP (G)	₹1,000	-	-	1,805	6.05
v)	Tata Liquid Fund - Regular Plan (Growth)	₹1,000	-	-	2,805	9.05
vi)	Halk Bank		34,936	12.99	2,86,59,000	17.23
vii)	Garanti Bank		9,548	- *	1	- *
	Total (C)			**12.99**		**55.90**
	Total (A+B+C)			**14.37**		**56.55**
	Aggregate market value of quoted investments			**1.38**		**0.65**
	Aggregate carrying value of unquoted investments			**- ***		**- ***
	Aggregate net asset value of investment in mutual funds			12.99		55.90

* represents amount lower than ₹10,000

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All amounts are in ₹ million unless otherwise stated

12 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	3,292.41	3,461.37
Unsecured, considered doubtful	38.36	54.99
	3,330.77	**3,516.36**
Less: Allowance for doubtful trade receivables	38.36	54.99
Total	**3,292.41**	**3,461.37**

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. Refer note 51.3 for term and other details.

3. Trade receivables ageing is as below.

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	2,923.58	349.49	14.74	1.76	2.06	0.78	3,292.41
(ii) Undisputed Trade Receivables - considered doubtful	-	0.20	0.05	4.38	2.50	22.67	29.80
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	1.30	2.70	3.60	0.96	8.56
Total	**2,923.58**	**349.69**	**16.09**	**8.84**	**8.16**	**24.41**	**3,330.77**

As on 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	3,049.64	380.85	11.44	13.64	0.84	0.03	3,456.44
(ii) Undisputed Trade Receivables - considered doubtful	-	11.96	2.38	4.35	0.72	29.38	48.79
(iii) Disputed Trade Receivables - considered good	-	-	-	4.23	0.17	0.53	4.93
(iv) Disputed Trade Receivables - considered doubtful	-	-	0.40	5.37	-	0.43	6.20
Total	**3,049.64**	**392.81**	**14.22**	**27.59**	**1.73**	**30.37**	**3,516.36**

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All amounts are in ₹ million unless otherwise stated

13 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- In current accounts	438.82	528.17
- In deposit accounts	6.06	8.89
- Cheque in hand (refer note below)	129.39	-
Cash on hand	0.69	0.38
Total	**574.96**	**537.44**
Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flows	**574.96**	**537.44**

Note:

Cheques in hand pertains to application money received from eligible employees pursuant to exercise of the stock options, pending allotment of the shares.

14 Bank balances other than (note 13) above

	As at 31 March 2022	As at 31 March 2021
In earmarked accounts		
- Unpaid dividend accounts	0.30	0.16
- Margin money deposits (refer note below)	17.27	24.36
Total	**17.57**	**24.52**

Note:

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

15 Financial assets-loan (current)

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to employees	2.06	1.59
Loan to other parties	0.46	0.31
Total	**2.52**	**1.90**

16 Other current financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Claims receivable	6.78	101.80
Foreign exchange forward contracts at FVTPL	2.76	1.85
Interest accrued on fixed deposits	0.29	0.65
Security deposit	-	0.29
Others	1.88	3.04
Total	**11.71**	**107.63**

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17 Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision : ₹ 36.09) (31 March 2021 : ₹ 1.71)	7.69	4.53
	7.69	**4.53**

18 Other current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to suppliers	51.34	22.62
Balances with government authorities	349.61	214.91
Prepaid expenses	59.10	56.42
Others	5.99	4.39
Total	**466.04**	**298.34**

19 Share capital

	No. of Shares	As at 31 March 2022	No. of Shares	As at 31 March 2020
(a) Authorised				
Equity shares of ₹ 2 each	400,000,000	800.00	400,000,000	800.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹ 2 each	248,370,995	496.74	248,370,995	496.74
Total		**496.74**		**496.74**

Notes:

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

	No. of shares	Share capital
Fully paid equity shares		
Balance at 01 April 2020	248,370,995	496.74
Shares issued during the year	-	-
Balance as at 31 March 2021	**248,370,995**	**496.74**
Shares issued during the year	-	-
Balance as at 31 March 2022	**248,370,995**	**496.74**

(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 2022 No. of shares held	As at 31 March 2022 % of holding	As at 31 March 2021 No. of shares held	As at 31 March 2021 % of holding
CA Harbor Investments	131,680,103	53.02%	131,680,103	53.02%
Infinity Holdings	-	-	14,685,986	5.91%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	8,309,763	3.35%	13,357,627	5.38%

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(iv) Details of shares held by promoter

	Name of the Promoter	As at 31 March 2022 No of shares	As at 31 March 2022 % of total Shares	As at 31 March 2022 % Change during the year	As at 31 March 2021 No of shares	As at 31 March 2021 % of total Shares	As at 31 March 2021 % Change during the year
1	CA Harbor Investments	131,680,103	53.02%	0.00%	131,680,103	53.02%	100.00%
2	Arun Kumar Pillai	-	-	-	-	-	(100.00%)
3	K R Ravishankar	-	-	-	-	-	(100.00%)
4	Pronomz Ventures LLP	-	-	-	-	-	(100.00%)
5	Chayadeep Ventures LLP	-	-	-	-	-	(100.00%)
6	Agnus Capital LLP	-	-	-	-	-	(100.00%)
7	Chayadeep Properties (P) Ltd	-	-	-	-	-	(100.00%)
8	Devicam Capital LLP	-	-	-	-	-	(100.00%)
9	Agnus Holdings (P) Ltd	-	-	-	-	-	(100.00%)
10	Sajitha Pillai	-	-	-	-	-	(100.00%)
11	Rajitha Gopalakrishnan	-	-	-	-	-	(100.00%)
12	Hemalatha Pillai	-	-	-	-	-	(100.00%)
13	Aditya Arun Kumar	-	-	-	-	-	(100.00%)
14	Tarini Arun Kumar	-	-	-	-	-	(100.00%)
15	Deepa Arun Kumar	-	-	-	-	-	(100.00%)
16	Vineetha Mohanakumar Pillai	-	-	-	-	-	(100.00%)
17	Krishna Kumar Nair	-	-	-	-	-	(100.00%)
18	Padmakumar Karunakaran Pillai	-	-	-	-	-	(100.00%)
19	Yalavarthy Usha Rani	-	-	-	-	-	(100.00%)

(v) 962,250 shares of ₹ 2 each (31 March 2021 : 1,491,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

(vi) Dividend paid and proposed

Particulars	31 March 2022	31 March 2021
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2021: ₹ 0.50 per share (31 March 2020 : ₹ NIL per share)	124.19	-
	124.19	**-**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2022 : ₹ Nil per share (31 March 2021 : ₹ 0.50 per share)	-	124.19
	-	**124.19**

20 Other equity

		As at 31 March 2022	As at 31 March 2021
(i)	**Share application money pending allotment**	91.38	-
(ii)	**Other equity**		
	Capital reserve	24.80	24.80
	Securities premium account	8,742.55	8,726.86
	Share options outstanding account	379.58	77.66
	General reserve	232.88	227.69
	Retained earnings	888.87	599.66
	Reserve for equity instruments through Other comprehensive income	261.65	617.36
	Treasury reserve	(57.71)	(89.43)
	Translation reserve	(1,403.72)	(675.54)
	Gross obligation to non-controlling interest under put options	-	(410.25)
	Other reserves	(2,732.95)	(2,319.04)
	Total	**6,427.33**	**6,779.77**

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All amounts are in ₹ million unless otherwise stated

		As at 31 March 2022	As at 31 March 2021
(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	8,726.86	8,603.82
	Add: Premium on exercise of options - proceeds received	15.69	123.04
	Balance at the end of the year	**8,742.55**	**8,726.86**
(c)	**Share options outstanding account**		
	Balance at the beginning of the year	77.66	140.90
	Add: Employee stock option expenses	322.80	60.51
	Less: Transferred to securities premium account on exercise	(15.69)	(123.04)
	Less: Transferred to general reserve on vested ESOP lapsed during the year	(5.19)	(0.71)
	Balance at the end of the year	**379.58**	**77.66**
(d)	**General reserve**		
	Balance at the beginning of the year	227.69	226.98
	Add: Vested ESOP lapsed during the year	5.19	0.71
	Balance at the end of the year	**232.88**	**227.69**
(e)	**Retained earnings**		
	Balance at the beginning of the year	599.66	(791.15)
	Add: Profit for the year	412.51	954.42
	Less: Other comprehensive expenses arising from remeasurement of defined benefit obligations, net of income tax	0.14	2.24
	Less: Dividend distributed to equity shareholders	(123.44)	-
	Add: Transfer from reserve for equity instruments through other comprehensive income	-	434.15
	Balance at the end of the year	**888.87**	**599.66**

Note: The Board of Directors in their meeting held on 30 June 2021 recommended dividend of 10%, i.e. ₹ 0.50 per equity share of ₹ 2/- each.

		As at 31 March 2022	As at 31 March 2021
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at the beginning of the year	617.36	146.42
	Add / (less): Net fair value gain / (loss) on investment in equity instruments at FVTOCI	(400.67)	1,030.11
	Less: Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	(434.15)
	Less: Income tax	(0.16)	(85.86)
	Less: Deferred tax	45.12	(39.16)
	Balance at the end of the year	**261.65**	**617.36**
(g)	**Treasury reserve**		
	Balance at the beginning of the year	(89.43)	(236.67)
	Add: Employee stock options issued during the year	31.72	147.24
	Balance at the end of the year	**(57.71)**	**(89.43)**
(h)	**Translation reserve**		
	Balance at the beginning of the year	(675.54)	(418.25)
	Add / (less): Movement during the year	(731.03)	(263.09)
	Add / (less): Transfer to non-controlling interest	2.85	5.80
	Balance at the end of the year	**(1,403.72)**	**(675.54)**

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		As at 31 March 2022	As at 31 March 2021
(i)	**Gross obligation to NCI under put options**		
	Balance at the beginning of the year	(410.25)	(163.08)
	Add: Movement during the year (refer note 55)	410.25	(247.17)
	Balance at the end of the year	**-**	**(410.25)**
(j)	**Other reserves**		
	Balance at the beginning of the year	(2,319.04)	(1,159.47)
	Less: Acquisition of minority interest (refer note 55)	(413.91)	(1,159.57)
	Balance at the end of the year	**(2,732.95)**	**(2,319.04)**

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:

i) The difference between the face value of the equity shares and the consideration received in respect of shares issued.

ii) The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(c) Share options outstanding account

This relate to shares granted to the employees of the Group.

(d) General reserve

The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve.

(e) Retained earnings

Retained earnings are the profits that the Group has earned 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 ESOP Trust.

(h) Translation reserve

These comprise of all exchange differences arising from translation of financial statements of foreign subsidiaries.

(i) Gross obligation to NCI under put options

This reserve represent premium payable on acquisition of minority stake.

(j) Other reserves

Other reserves represents premium on acquisition of the additional stake after obtaining control in Alivira Animal Health Limited, India, Fendigo SA, N-Vet AB, Fendigo BV and Provet Veteriner Ürünleri San. Ve Tic. A. Ş.

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21 Non-controlling interest (NCI)

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	486.65	447.37
Share of profit for the year	38.09	90.10
Share of other comprehensive income / (expenses) for the year	(2.85)	(5.80)
Dividend outflow	(16.77)	(14.25)
Put option derecognised (net) (refer note 55)	(20.27)	(9.71)
Acquistion of stake from NCI	-	(24.73)
Equity contribution by NCI shareholders	-	0.14
Effect of foreign currency exchange difference on opening NCI	(4.79)	3.53
Balance at the end of the year	**480.06**	**486.65**

22 Non-current borrowings

	As at 31 March 2022	As at 31 March 2021
Secured term loan - at amortised cost	862.25	611.50
From bank	10.23	13.73
From other parties		
Unsecured term loan - at amortised cost		
From bank	274.93	227.14
From other parties	77.14	84.69
Total	**1,224.55**	**937.06**

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

Particulars	Terms of repayment	As at 31 March 2022	As at 31 March 2021
Secured term loan from banks:			
HSBC Limited: The loan is secured by first charge on the entire fixed assets of the Alivira Animal Health Limited, India (holding company) including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - ultimate holding company, 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.	Repayable in 18 quarterly instalments, commencing from July 2021.	434.08	603.29
Citi Bank: The loan is 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	Repayable in 22 quarterly instalments, commencing from September 2022. Repayable fully by December 2027.	421.35	-
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully by February 2028.	1.94	2.33
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully by February 2028.	4.88	5.88
		862.25	**611.50**
Unsecured term loan from banks:			
B.B.V.A.	Repayable in 20 quarterly instalments, commencing from October 2019. Repayable fully by July 2024.	39.10	65.93

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Particulars	Terms of repayment	As at 31 March 2022	As at 31 March 2021
B.B.V.A.	Repayable in 20 quarterly instalments, commencing from May 2023. Repayable fully by February 2027.	126.40	-
B.B.V.A.	Repayable in 60 monthly instalments, commencing from August 2020. Repaid fully by July 2025.	18.45	18.05
ABANCA	Repayable in 60 monthly instalments, commencing from May 2021. Repaid fully by May 2026.	20.23	-
Türkiye Halk Bankası A.Ş.	Repayable in 30 monthly instalments, commencing from October 2021. Repayable fully by April 2023.	0.94	20.23
B.B.V.A.	Repayable in 60 monthly Instalments, commencing from May 2018. Repayable fully by April 2023.	0.10	1.32
Bank Popular	Repayable in 60 monthly Instalments, commencing from December 2018. Repayable fully by November 2023.	1.73	4.37
B.S.C.H.	Repayable in 60 monthly Instalments, commencing from December 2018. Repayable fully by November 2023.	1.73	4.37
Bankia	Repayable in 60 monthly Instalments, commencing from June 2019. Repayable fully by May 2024.	12.65	23.69
B.S.C.H.	Repayable in 20 quarterly Instalments, commencing from October 2019. Repayable fully by July 2024.	19.58	32.93
B.S.C.H.	Repayable in 20 quarterly Instalments, commencing from October 2019. Repayable fully by July 2024.	19.58	32.93
Banc Sabadell	Repayable in 60 monthly Instalments, commencing from December 2019. Repayable fully by November 2024.	14.44	23.32
		274.93	**227.14**

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Particulars	Terms of repayment	As at 31 March 2022	As at 31 March 2021
Secured term loan from other parties:			
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from November 2019. Repayable fully by October 2023.	0.51	1.36
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from October 2019. Repayable fully by September 2024.	3.51	4.28
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from July 2019. Repayable fully by June 2023.	2.01	2.17
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 36 monthly instalments, commencing from August 2020. Repayable fully by July 2023.	0.23	0.90
BMW Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from November 2020. Repayable fully by October 2024.	3.97	4.51
Toyota Financial Services India Limited: Hypothecation of vehicles.	Repayable in 60 equal monthly Instalments, commencing from October 2017.	-	0.19
Toyota Financial Services India Limited: Hypothecation of vehicles.	Repayable in 60 equal monthly Instalments, commencing from January 2018.	-	0.32
		10.23	**13.73**
Unsecured term loan from other parties:			
ICF	Repayable in 28 quarterly Instalments, commencing from October 2015. Repayable fully by July 2022.	-	1.89
Dell Bank International	Repayable in 36 monthly instalments, commencing from July 2019. Repayable fully by June 2022.	-	1.47
Fitch Participacoes Ltda	Repayable in 108 monthly instalments, commencing from January 2020. Repayable fully by December 2028	44.78	47.19
Judiciary Recovery	The loan is repayable in half yearly 18 instalments, commencing from November 2016. Repayable fully by May 2025.	32.36	34.14
		77.14	**84.69**
Total		**1,224.55**	**937.06**

(i) The interest on above term loan from Bank and other parties (Citi Bank, Banc Sabadell and Judiciary Recovery) are linked to the respective lender's base rates which are floating in nature. During the year ended 31 March 2022, the interest rates ranges from 0.90% to 17.31% per annum (31 March 2021: 0.90% to 8.50% per annum).

(ii) There are no long-term borrowings guaranteed by any directors or others as at 31 March 2022 and 31 March 2021.

(iii) For the current maturities of long-term borrowings, refer note 28 in current borrowing.

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

23 Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities (refer note 54)	418.52	453.97
Total	**418.52**	**453.97**

24 Others non current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Others liabilities	16.10	-
Total	**16.10**	**-**

25 Non-current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity and termination benefits (refer note 49)	56.89	64.39
Compensated absences (refer note below)	24.14	19.98
Others provision	82.79	8.87
Total	**163.82**	**93.24**

Note:

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

26 Deferred tax liabilities / assets (refer note 43)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
- Temporary differences on account of depreciation	60.00	78.63
- Temporary differences on account of right-of-use assets	-	(2.81)
- Others	(0.15)	(6.52)
Deferred tax liabilities	**59.85**	**69.30**
Deferred tax assets		
- Temporary differences on account of depreciation	14.50	27.61
- Expenses allowable on payment basis	40.05	39.07
- Unabsorbed depreciation and carried forward of losses	46.88	38.60
- Temporary differences on account of right-of-use assets	14.46	10.19
- Temporary differences of quoted equity instrument valued at fair value	(21.02)	(67.78)
- Others	6.15	(45.26)
- MAT credit entitlement	190.96	202.64
Deferred tax assets	**291.98**	**205.07**

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

27 Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	6.77	8.69
Total	**6.77**	**8.69**

28 Current borrowings

	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand		
Secured loan		
From banks (refer note (i) to (iv) below)	1,206.00	575.76
Unsecured loan		
From banks	389.43	453.29
Current maturities of long-term borrowings *	328.93	280.86
Total	**1,924.36**	**1,309.91**

Notes:

(i) Working capital loan from banks are secured by a exclusive charge on current assets of the company and exclusive charge on the entire movable and immoveable fixed assets of the Company, both present and future, including exclusive charge on the immovable assets located at Mahad and secured by unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India.

(ii) Loan repayable on demand from banks in subsidiary Alivira Animal Health Limited, India, are secured by a first pari-passu charge on current assets of the Company, both present and future, and unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited.

(iii) Working capital loan from banks by two subsidiaries company are secured by unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited.

(iv) Working capital loan from banks by two subsidiaries company are secured against trade receivables of said company.

(v) The interest on above loans are in ranges from 0.85% to 17.31% per annum (31 March 2021: 2.55% to 9.45% per annum).

* The details of interest rates, repayment and other terms are disclosed under note 22. Details of current maturities of long-term debt are mentioned below:

	As at 31 March 2022	As at 31 March 2021
Loan from banks		
HSBC Limited	157.09	120.66
Citi Bank	45.86	-
Bank Sabadell	1.25	1.23
Türkiye Halk Bankası A.Ş.	10.86	21.93
B.B.V.A.	29.35	33.32
Banco Popular	2.57	2.59
ABANCA	5.17	-
Bankinter	-	3.65
Bankia	10.64	32.57
La Caxia	-	0.97
B.S.C.H	28.17	28.20
Bank Sabadell	8.50	8.53

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	As at 31 March 2022	As at 31 March 2021
Loan from Others		
Toyota Financial Services India Limited	-	0.77
ICF	1.86	3.71
Dell Bank International	1.45	5.72
Others	2.77	2.62
Fitch Participacoes Ltda	10.14	5.33
Judiciary Recovery	13.25	9.06
Total	**328.93**	**280.86**

29 Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payables	2,580.45	2,269.10
Total	**2,580.45**	**2,269.10**

Notes:

(i) Trade payables (other than due to micro and small enterprises) are non-interest bearing and are normally settled on 90 to 120 days.

(ii) The Group's exposure to currency and liquidity risk related to trade payable is disclosed in note 51.

(iii) Refer note 48 for dues payable to related parties.

(iv) Trade payable ageing report is as below

As on 31 March 2022

	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	233.37	2,058.26	266.23	15.50	2.31	0.14	2,575.81
(ii) Disputed dues	-	-	1.35	3.29	-	-	4.64
	233.37	**2,058.26**	**267.58**	**18.79**	**2.31**	**0.14**	**2,580.45**

As on 31 March 2021

	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	267.08	1,724.53	241.41	30.42	1.88	0.34	2,265.66
(ii) Disputed dues	-	-	2.13	1.20	0.11	-	3.44
	267.08	**1,724.53**	**243.54**	**31.62**	**1.99**	**0.34**	**2,269.10**

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30 Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Current lease liabilities (refer note 54)	81.57	68.90
Total	**81.57**	**68.90**

31 Other current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Put option liability	-	425.84
Interest accrued and due on borrowings	6.18	2.67
Payables on purchase of property, plant and equipments	23.97	42.89
Unclaimed dividends	0.30	0.16
Foreign exchange forward contracts at FVTPL	8.42	-
Others	169.28	2.04
Total	**208.15**	**473.60**

32 Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity and termination benefits (refer note 49)	32.30	8.11
Compensated absences (refer note below)	33.60	43.34
Others provision	7.15	17.67
Total	**73.05**	**69.12**

Note:

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

33 Current tax liabilities

	As at 31 March 2022	As at 31 March 2021
Income tax payable (net of advance tax : ₹ 216.23) (31 March 2021 : ₹ 529.26)	82.34	226.55
Total	**82.34**	**226.55**

34 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	115.96	102.45
Advance from customers	33.63	51.84
Other current liabilities	21.70	28.70
Total	**171.29**	**182.99**

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35 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	13,959.44	13,312.16
Sale of services	142.28	208.19
	14,101.72	**13,520.35**
Other operating revenues		
Sale of scrap	6.07	4.38
Sale of Import licences		
Duty drawback and other export incentives	12.78	73.43
Other miscellaneous income	7.59	17.99
	14,128.16	**13,616.15**

Disaggregated revenue disclosures

The Group disaggregate the revenue based on geographic locations and it is disclosed under note 44 - Segment reporting.

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.

Reconciliation of revenue from sale of products and services with the contracted price:

	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	14,392.23	13,783.27
Less: trade discounts, sales and expiry return	290.51	262.92
Sale of products and services	**14,101.72**	**13,520.35**

36 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income (refer note (i) below)	2.41	6.26
Net gain on sale of current investments	3.18	25.79
Dividend income	1.66	9.95
Fair value gain on financial instrument at fair value through profit or loss	-	0.17
Net gain on foreign currency transactions and translation	63.03	-
Profit on sale of property, plant and equipment	-	6.98
Miscellaneous income	38.17	34.48
Total	**108.45**	**83.63**

(i) Interest income comprises:

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on:		
Bank deposits	1.63	4.19
Interest on income tax refund	0.16	0.21
Other interest	0.62	1.86
Total	**2.41**	**6.26**

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37.a Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	917.94	864.33
Effect of foreign currency exchange differences	(215.46)	(56.57)
Add: Purchases	7,280.61	5,996.83
Add: Transfer on account of business combination (refer note 52)	12.59	-
Less: Closing stock	1,290.46	917.94
Cost of materials consumed	**6,705.22**	**5,886.65**

37.b Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	1,718.89	1,450.19
Total	**1,718.89**	**1,450.19**

37.c Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock		
Work-in-progress and intermediates	414.94	388.32
Finished goods (including stock-in-trade)	1,306.68	937.76
	1,721.62	**1,326.08**
Transfer on account of business combination (refer note 52)		
Work-in-progress and intermediates	-	-
Finished goods (including stock-in-trade)	0.94	-
	0.94	**-**
Effect of foreign currency exchange differences		
Work-in-progress and intermediates	(4.77)	(1.25)
Finished goods (including stock-in-trade)	(27.80)	6.51
	(32.57)	**5.26**
Closing stock		
Work-in-progress and intermediates	567.84	414.94
Finished goods (including stock-in-trade)	1,616.30	1,306.67
	2,184.14	**1,721.61**
Net (increase) / decrease	**(494.15)**	**(390.27)**

38 Employee benefit expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	1,629.67	1,475.89
Contributions to provident fund, gratuity and other funds (refer note 49)	259.95	246.30
Share-based payment to employees (refer note 50)	333.01	72.34
Staff welfare expenses	91.05	77.70
Total	**2,313.68**	**1,872.23**

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39 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on borrowings	107.51	161.65
Other borrowing costs	22.65	51.29
Interest expense on leases liabilities (refer note 54)	27.58	30.89
Total	**157.74**	**243.83**

40 Depreciation and amortisation expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3a)	368.23	337.06
Depreciation on ROU assets (refer note 3b)	73.17	70.78
Amortisation on intangible assets (refer note 5)	69.45	98.14
	510.85	**505.98**

41 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Power, water and fuel	338.59	287.51
Consumables	175.81	131.54
Conversion and processing charges	435.79	526.60
Freight and forwarding	294.36	282.63
Rent	19.94	10.41
Rates and taxes	58.86	53.23
Communication expenses	20.24	23.36
Repairs and maintenance		
Building	21.52	15.43
Machinery	115.87	104.08
Others	81.42	99.26
Insurance	64.51	51.89
Travelling and conveyance	89.91	65.27
Advertisement and selling expenses	188.18	121.55
Commission on sales	88.58	95.83
Legal and professional fees	415.56	379.81
Analytical charges	106.30	84.91
Bad loans and advances written off	1.16	-
Bad trade receivables written off	3.26	30.31
Allowances for doubtful trade receivables	(0.15)	(21.32)
Loss on sale of assets (net)	0.69	-
Property, plant and equipment written off	0.34	30.69
Net loss on foreign currency transactions and translation	-	42.16
Miscellaneous expenses	269.78	261.50
Total	**2,790.52**	**2,676.65**

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42 Exceptional Items

	Year ended 31 March 2022	Year ended 31 March 2021
Accelerated ESOP costs	-	30.93
One-time bonus	-	19.04
Write off of assets of Alivira France	-	38.26
Total	**-**	**88.23**

Pursuant to Share Purchase Agreement entered between Agnus Holdings Private Limited and other promoters and CA Harbor Investments (Carlyle Group), Carlyle Group has acquired 53.02% shareholding of the Company. The transfer of control to Carlyle Group has resulted into following events –

(a) Accelerated vesting of unvested employee stock options and accordingly the Group has provided for this cost in the previous year on an accelerated basis amounting to ₹ 30.93.

(b) During the previous year, the Group had announced a one-time bonus to the existing employees not covered by ESOP Scheme of ₹ 19.04.

(c) The Group has reviewed its operations in France and it has decided to wind up its operations. Accordingly, a provision of ₹ 38.26 was considered representing ₹ 6.67 in inventory, ₹ 0.85 in receivables and ₹ 30.74 in intangible assets.

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 2022	Year ended 31 March 2021
i) Income tax expense recognised in the consolidated statement of profit and loss		
Current tax (I)	257.28	320.99
Deferred tax charge		
Origination and reversal of temporary differences (II)	(53.72)	(28.60)
Provision for tax of earlier years written back (III)	(120.30)	29.38
Total (IV = I+II+III)	**83.26**	**321.77**
ii) Tax on other comprehensive income		
Current tax	0.16	85.86
Deferred tax charge / (income)	(45.12)	40.52
Total (V)	**(44.96)**	**126.38**
Total (IV+V)	**38.30**	**448.15**

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

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:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	**533.86**	**1,366.29**
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	**155.46**	**397.86**
Differences due to:		
- Exempted income	(19.87)	(20.92)
- Disallowed expenses	1.88	0.01
- Effect of additional allowance net of MAT Credit	(5.91)	(97.64)
- Effect of deferred tax on brought forward business losses	(28.29)	(24.22)
- Effect of change in tax rate	-	3.62
- Different tax rate in subsidiary companies	107.26	55.69
- Provision for tax of earlier years written back	(120.30)	29.38
- Others	(6.97)	(22.01)
Income tax expenses charged to the consolidated statement of profit and loss	**83.26**	**321.77**
Effective tax rate	15.60%	23.55%

C) Movement in deferred tax assets and liabilities

	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2022
- Temporary differences on account of depreciation	(51.02)	5.52	-	(45.50)
- Expenses allowable on payment basis	39.07	2.78	(1.80)	40.05
- Right-of-use assets	13.00	1.46	-	14.46
- Temporary differences of quoted equity instrument valued at fair value	(67.78)	-	46.76	(21.02)
- Other	(38.74)	45.04	-	6.30
- Unabsorbed depreciation and carried forward of losses	38.60	8.28	-	46.88
- MAT credit entitlement	202.64	(11.68)	-	190.96
Total	**135.77**	**51.40**	**44.96**	**232.13**

	As at 01 April 2020	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2021
- Temporary differences on account of depreciation	(118.17)	67.15	-	(51.02)
- Expenses allowable on payment basis	54.82	(14.39)	(1.36)	39.07
- Right-of-use assets	12.75	0.25	-	13.00
- Temporary differences of quoted equity instrument valued at fair value	-		(67.78)	(67.78)
- Other	(24.55)	(14.19)	-	(38.74)
- Unabsorbed depreciation and carried forward of losses	77.18	(38.58)	-	38.60
- MAT credit entitlement	147.15	26.87	28.62	202.64
Total	**149.18**	**27.11**	**(40.52)**	**135.77**

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44 Segment Reporting

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.

The Group operates in three principal geographic locations.

(i) Europe

(ii) Asia

(iii) Rest of the world

		Year ended 31 March 2022	Year ended 31 March 2021
I	**Revenue from operations**		
	Europe	5,942.38	6,246.18
	Asia	3,899.46	3,886.89
	Rest of the world	4,286.32	3,483.08
	Total	**14,128.16**	**13,616.15**
II	**Total assets**		
	Europe	4,878.23	5,205.54
	Asia	6,414.27	6,327.29
	Rest of the world	2,347.53	1,320.11
	Total segment assets	13,640.03	12,852.94
	Unallocated (^)	774.92	1,072.65
	Total	**14,414.95**	**13,925.59**
III	**Cost incurred during the year to acquire segment assets**		
	Europe	147.22	110.65
	Asia	183.47	417.92
	Rest of the world	12.64	6.23
	Total	**343.33**	**534.80**

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 non current investments, loans, deferred tax assets (net) and income tax assets (net).

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45 Earnings Per Share

	Year ended 31 March 2022	Year ended 31 March 2021
Basic earnings per share (in ₹)	1.67	3.87
Diluted earnings per share (in ₹)	1.65	3.85

Profit attributable to equity shareholders

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to equity holders	412.51	954.42
Profit attributable to equity shareholders for basic and diluted earnings	**412.51**	**954.42**

Weighted average number of equity shares

	Year ended 31 March 2022	Year ended 31 March 2021
Equity shares at beginning of the year	248,370,995	248,370,995
Weighted average effect of treasury shares	(962,250)	(1,491,250)
Weighted average number of equity shares at end of the year for basic EPS	**247,408,745**	**246,879,745**
Share options	3,324,501	990,742
Weighted average number of equity shares at end of the year for diluted EPS	**250,733,246**	**247,870,487**

46 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
a. Claims against the Group not acknowledged as debts *	16.66	22.66

* 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.

	Year ended 31 March 2022	Year ended 31 March 2021
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible and Intangible assets	274.50	39.90

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47 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.

	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 2022	As at 31 March 2021	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				140.61%	10,410.88	32.84%	147.99	32.50%	(353.17)	32.26%	(205.18)
	Indian Subsidiaries											
2	Alivira Animal Health Limited	India	100.00%	100.00%	70.61%	5,228.14	30.95%	139.46	(0.23%)	2.46	(22.31%)	141.92
3	SeQuent Research Limited	India	100.00%	100.00%	1.20%	89.11	6.06%	27.30	(0.04%)	0.47	(4.37%)	27.77
4	Elysian Life Sciences Private Limited (refer note 1)	India	-	100.00%		-		-		-		-
	Foreign Subsidiaries											
5	Alivira Animal Health Limited, Ireland	Ireland	100.00%	100.00%	51.53%	3,815.18	(12.54%)	(56.52)		-	8.89%	(56.52)
6	Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	Turkey	100.00%	100.00%	1.56%	115.48	(28.28%)	(127.42)	0.34%	(3.67)	20.61%	(131.09)
7	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	Turkey	100.00%	100.00%	4.91%	363.35	31.89%	143.71	0.15%	(1.67)	(22.33%)	142.04
8	Vila Viña Participacions S.L.	Spain	60.00%	60.00%	4.07%	301.68	2.73%	12.32	-	-	(1.94%)	12.32
9	Laboratorios Karizoo, S.A.	Spain	60.00%	60.00%	10.07%	745.43	7.26%	32.73	-	-	(5.15%)	32.73
10	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	60.00%	60.00%	0.76%	56.51	0.38%	1.71	-	-	(0.27%)	1.71
11	Comercial Vila Veterinaria De Lleida S.L.	Spain	60.00%	60.00%	1.20%	88.53	2.46%	11.07	-	-	(1.74%)	11.07
12	Phytotherapic Solutions S.L.	Spain	60.00%	60.00%	2.26%	167.60	4.71%	21.22	-	-	(3.34%)	21.22
13	Bremer Pharma GmbH	Germany	100.00%	100.00%	(3.39%)	(251.22)	(35.73%)	(161.00)	-	-	25.31%	(161.00)
14	Fendigo SA	Belgium	100.00%	100.00%	3.53%	261.69	21.26%	95.79	-	-	(15.06%)	95.79
15	Fendigo BV	Netherland	100.00%	100.00%	0.36%	26.43	3.51%	15.82	-	-	(2.49%)	15.82
16	N-Vet AB	Sweden	96.10%	96.10%	1.28%	94.87	2.98%	13.44	-	-	(2.11%)	13.44
17	Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	100.00%	(1.89%)	(139.61)	13.96%	62.92	-	-	(9.89%)	62.92

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	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 2022	As at 31 March 2021	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of Total comprehensive income	Amount
18	Evanvet Distribuidora De Produtos Veterinarios Ltda (formerly known as Evance Saude Animal Ltda) (refer note 2)	Brazil	100.00%	70.00%	2.66%	196.99	27.36%	123.30	-	-	(19.39%)	123.30
19	Alivira Saude Animal Ltda (formerly known as Evance Saude Animal Ltda and Interchange Veterinária Indústria E Comércio Ltda (refer note 2))	Brazil	100.00%	70.00%	(0.02%)	(1.34)	6.13%	27.61	-	-	(4.34%)	27.61
20	Nourrie Saúde e Nutrição Animal Ltda (refer note 3)	Brazil	100.00%	-	0.41%	30.11	1.12%	5.04	-	-	(0.79%)	5.04
21	Alivira Animal Health USA LLC	USA	100.00%	100.00%	(0.11%)	(8.15)	(11.28%)	(50.81)	-	-	7.99%	(50.81)
22	Alivira Italia S.R.L.	Italy	95.00%	95.00%	(0.14%)	(10.54)	(0.57%)	(2.58)	-	-	0.41%	(2.58)
23	Alivira France S.A.S.	France	75.00%	75.00%	(0.01%)	(0.70)		-	-	-		-
24	Alivira Animal Health UK Ltd	United Kingdom	100.00%	100.00%		0.04	(0.33%)	(1.49)	-	-	0.23%	(1.49)
	Total					**21,580.46**		**481.61**		**(355.58)**		**126.03**
	Adjustments arising out of consolidation				(197.95%)	(14,656.39)	(15.34%)	(69.10)	67.01%	(728.17)	125.36%	(797.27)
	Non-controlling interest in all subsidiaries				6.48%	480.06	8.45%	38.09	0.26%	(2.85)	(5.54%)	35.24
	Total					**7,404.13**		**450.60**		**(1,086.60)**		**(636.00)**

Notes:

1 During the current year, Elysian Life Sciences Private Limited (wholly owned subsidiary) had applied for strike off of their name from register of Registrar of Company - Bangalore. The Registrar of Company vide letter dated 15 November 2021 have removed the name from Register of Companies and the said company stands dissolved.

2 During the current year, the Company's step down subsidiary, Alivira Saude Animal Brasil Participacoes Ltda, Brazil has acquired additional 30% stake in Alivira Saude Animal Ltda and Evanvet Distribuidora De Produtos Veterinarios Ltda.

3 During the current year, the Company's step down subsidiary, Alivira Saude Animal Ltda, Brazil has acquired additional 100% stake in Nourrie Saúde e Nutrição Animal Ltda.

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	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 2021	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			132.61%	10,295.11	30.74%	321.13	140.44%	904.77	72.59%	1,225.90
	Indian Subsidiaries										
2	Alivira Animal Health Limited	India	100.00%	63.79%	4,952.25	28.53%	298.04	0.35%	2.26	17.78%	300.30
3	SeQuent Research Limited	India	100.00%	1.36%	105.44	2.48%	25.90	0.12%	0.78	1.58%	26.68
4	Elysian Life Sciences Private Limited	India	100.00%		(0.01)	0.03%	0.32	-	-	0.02%	0.32
	Foreign Subsidiaries										
5	Alivira Animal Health Limited, Ireland	Ireland	100.00%	46.88%	3,639.25	(0.63%)	(6.53)	-	-	(0.39%)	(6.53)
6	Provet Veteriner Ürünleri San. Ve Tic. A. Ş. (refer note 1)	Turkey	100.00%	4.14%	321.34	6.36%	66.46	(0.05%)	(0.35)	3.91%	66.11
7	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	Turkey	100.00%	5.54%	430.17	14.88%	155.45	(0.02%)	(0.13)	9.20%	155.32
8	Vila Viña Participacions S.L.	Spain	60.00%	3.89%	302.05	3.89%	40.59	-	-	2.40%	40.59
9	Laboratorios Karizoo, S.A.	Spain	60.00%	9.00%	698.72	10.10%	105.50	-	-	6.25%	105.50
10	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	60.00%	0.66%	51.36	2.20%	23.00	-	-	1.36%	23.00
11	Comercial Vila Veterinaria De Lleida S.L.	Spain	60.00%	1.05%	81.61	2.16%	22.51	-	-	1.33%	22.51
12	Phytotherapic Solutions S.L.	Spain	60.00%	1.95%	151.62	3.35%	35.02	-	-	2.07%	35.02
13	Bremer Pharma GmbH	Germany	100.00%	(1.44%)	(111.78)	(13.85%)	(144.63)	-	-	(8.56%)	(144.63)
14	Fendigo SA (refer note 2)	Belgium	100.00%	3.14%	244.04	7.88%	82.29	-	-	4.87%	82.29
15	Fendigo BV (refer note 2)	Netherland	100.00%	0.39%	29.90	1.90%	19.80	-	-	1.17%	19.80
16	N-Vet AB	Sweden	96.10%	1.47%	114.45	0.57%	5.95	-	-	0.35%	5.95
17	Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	(2.47%)	(191.76)	(4.90%)	(51.17)	-	-	(3.03%)	(51.17)
18	Evanvet Distribuidora De Produtos Veterinarios Ltda (formerly known as Evance Saude Animal Ltda)	Brazil	70.00%	0.78%	60.62	5.79%	60.44	-	-	3.58%	60.44

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	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 2021	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	Interchange Veterinária Indústria E Comércio Ltda	Brazil	70.00%	(0.59%)	(45.93)	5.13%	53.56	-	-	3.17%	53.56
20	Alivira Animal Health USA LLC	USA	100.00%	(0.01%)	(0.56)	(2.10%)	(21.93)	-	-	(1.30%)	(21.93)
21	Alivira Italia S.R.L.	Italy	95.00%	(0.10%)	(8.15)	(0.59%)	(6.19)	-	-	(0.37%)	(6.19)
22	Alivira France S.A.S.	France	75.00%	(0.01%)	(0.71)	(6.53%)	(68.18)	-	-	(4.04%)	(68.18)
23	Alivira Animal Health Australia Pty Limited (refer note 4)	Australia	-	-	-	-	-	-	-	-	-
24	Alivira Animal Health UK Ltd (refer note 3)	United Kingdom	100.00%	-	-	-	(0.01)	-	-	-	(0.01)
	Total				**21,119.03**		**1,017.32**		**907.33**		**1,924.65**
	Adjustments arising out of consolidation			(178.31%)	(13,842.52)	(6.02%)	(62.90)	(39.94%)	(257.29)	(18.96%)	(320.19)
	Non-controlling interest in all subsidiaries			6.27%	486.65	8.63%	90.10	(0.90%)	(5.80)	4.99%	84.30
	Total				**7,763.16**		**1,044.52**		**644.24**		**1,688.76**

Notes:

1 During the previous year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additional 40% stake in Provet Veteriner Ürünleri San. Ve Tic. A. Ş., Turkey (Provet). Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş. (Topkim) is wholly owned subsidiary company of Provet and accordingly stake in Topkim is increased to 100%.

2 During the previous year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additional 7.5% and 15% stake in Fendigo SA, Belgium and Fendigo BV, Netherland respectively.

3 During the previous year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland incorporated Alivira Animal Health UK Ltd, Ireland with 100% stake.

4 The Australian Securities and Investment Commission, Australia vide letter dated 13 May 2020 has confirmed the strike off of Alivira Animal Health Australia Pty Ltd.

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48 Related party transactions

Holding Company

CA Harbor Investments (w.e.f. 17 August 2020)

48.1 List of related parties with whom transactions have taken place during the year

a) Key management personnel (KMP)

Mr. Manish Gupta, Chief Executive Officer & Managing Director (Till 10 April 2022)
Mr. Rajaram Narayanan, Chief Executive Officer & Managing Director (From 11 April 2022)
Mr. Sharat Narasapur, Joint Managing Director
Mr. Tushar Mistry, Chief Financial Officer
Mr. Rahul Mukim, Non-Executive Director (w.e.f. 17 August 2020)
Dr. Kamal K Sharma,Independent Director (w.e.f. 25 August 2020)
Mr. Milind Sarwate, Independent Director (w.e.f. 25 August 2020)
Mr. Neeraj Bharadwaj, Non-Executive Director (w.e.f. 17 August 2020)
Mr. Gregory Andrews John, Non-Executive Director (w.e.f. 06 November 2020)
Dr. Fabian Kausche, Non-Executive Director (w.e.f. 14 December 2020)
Dr. Kausalya Santhanam, Independent Director
Mr. K E C Rajakumar, Non-Executive Director (Till 17 August 2020)
Dr. S Devendra Kumar, Non-Executive Director (Till 17 August 2020)
Dr. Gopakumar G. Nair, Chairman and Independent Director (Till 25 August 2020)
Mr. Narendra Mairpady, Independent Director (Till 31 July 2020)

b) Enterprises owned or significantly influenced by individuals who have control / significant influence over the Group / subsidiaries

Strides Emerging Markets Limited (Till 17 August 2020)
Agnus Capital LLP (Till 17 August 2020)
Pronomz Ventures LLP (Till 17 August 2020)
Solara Active Pharma Sciences Limited (Till 17 August 2020)
Sequent Penems Private Limited (Till 17 August 2020)

Notes:

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

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The following table provides transactions that have been entered into with related parties for the relevant financial year:

	Year ended 31 March 2022	Year ended 31 March 2021
i) Transactions with KMP and their relatives		
Managerial remuneration (*)		
Mr. Manish Gupta		
Short-term benefits	25.07	35.76
Share-based payments	68.08	94.73
Total	**93.15**	**130.49**
Mr. Sharat Narsapur		
Short-term benefits	11.76	12.50
Share-based payments	3.69	19.15
Total	**15.45**	**31.65**
Mr. Tushar Mistry		
Short-term benefits	7.90	11.40
Share-based payments	2.58	19.15
Total	**10.48**	**30.55**
Directors sitting fees		
Dr. Kamal K Sharma	3.20	1.20
Mr. Milind Sarwate	2.50	1.00
Mr. Gregory Andrews John	0.60	0.20
Dr. Fabian Kausche	0.60	0.10
Dr. Kausalya Santhanam	0.70	1.23
Mr. K E C Rajakumar	-	0.50
Dr. S Devendra Kumar	-	0.50
Dr. Gopakumar G. Nair	-	0.93
Mr. Narendra Mairpady	-	0.36
Directors Commission		
Dr. Kamal K Sharma	0.39	0.30
Mr. Milind Sarwate	0.39	0.50
Mr. Gregory Andrews John	0.78	0.76
Dr. Fabian Kausche	0.78	0.56
Dr. Kausalya Santhanam	0.39	0.95
ii) Transaction with enterprises owned or significantly influenced by individuals who have control / significant influence over the Group / subsidiaries		
Sale of materials / services		
Strides Emerging Markets Limited	-	0.04
Solara Active Pharma Sciences Limited	-	15.95
Purchase of materials		
Solara Active Pharma Sciences Limited	-	83.49
Reimbursement of expenses from		
Agnus Capital LLP	-	2.76
Sales of equity investment		
Pronomz Ventures LLP	-	1,573.44
Payment towards lease obligation and finance costs		
Solara Active Pharma Sciences Limited	-	2.80
Sequent Penems Private Limited	-	0.73

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48.3 Balance as at balance sheet date

There is no balance as on 31 March 2022 and 31 March 2021.

(*) 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.

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 ₹ 41.94 (31 March 2021 : ₹ 37.82) for PF contributions and ₹ 3.67 (31 March 2021 : ₹ 3.16) for ESIC contributions in the consolidated statement of profit and loss. As at 31 March 2022, contribution of ₹ 7.34 (31 March 2021 : ₹ 6.87) 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 ₹ 197.99 (31 March 2021 : ₹ 190.42) 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 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense/ (income) recognised in the statement of profit and loss:				
Current service cost	12.82	4.88	11.84	5.18
Net interest cost	3.65	2.12	3.20	1.55
Expected return on plan assets	(0.12)	-	(0.14)	-
Component of defined benefit costs recognised in the statement of profit and loss	**16.35**	**7.00**	**14.90**	**6.73**
Expense / (income) recognised in other comprehensive income:				
Return on plan assets (excluding amounts included in net interest cost)	1.86	-	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	4.23	-	2.74
Actuarial (gains) / losses arising from changes in financial assumptions	0.28	2.03	(0.03)	(2.83)
Actuarial (gains) / losses arising from changes in experience adjustments	(2.17)	(0.92)	(4.27)	0.58
Actuarial (gains) / losses arising from adjustment to opening fair value	0.19	-	(0.08)	-
Component of defined benefit costs recognised in the other comprehensive income	**0.16**	**5.34**	**(4.38)**	**0.49**
Total	**16.51**	**12.34**	**10.52**	**7.22**

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Net defined benefit obligation as reflected in balance sheet:

	31 March 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	58.74	18.23	58.64	13.00
Fair value of plan assets	-	-	1.93	-
Net liability recognised in balance sheet	**58.74**	**18.23**	**56.71**	**13.00**

A. Movements in the present value of the defined benefit obligation are as follows:

	31 March 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening balance	58.64	15.72	51.13	14.10
Current service cost	12.82	4.88	11.84	5.18
Interest cost	3.65	2.12	3.20	1.55
Liability transferred in / acquisitions	0.16	-	-	-
Benefits paid	(9.02)	(1.15)	(3.24)	(1.61)
Actuarial (gains) / losses arising from changes in demographic assumptions	(5.63)	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.28	2.03	(0.03)	(2.83)
Actuarial (gains) / losses arising from changes in experience adjustments	(2.16)	(0.92)	(4.26)	0.58
Exchange gain or loss	-	(4.45)	-	(3.97)
Closing defined benefit obligation	**58.74**	**18.23**	**58.64**	**13.00**

B. Movements in the fair value of plan assets are as follows:

	31 March 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	1.93	-	2.02	-
Opening fair value adjustments of plan assets	-	-	(0.23)	
Expected return on plan assets	0.12	-	0.14	-
Actual Group contributions	-	-	-	-
Actuarial gain / (loss)	(2.05)	-	-	-
Closing fair value of plan assets	**-**	**-**	**1.93**	**-**
Estimate amount of contribution in immediate next year	12.75	-	5.72	-

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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 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumption:				
Discount rate	6.51% - 6.67%	18.08%	6.51% - 6.67%	18.08%
Salary escalation rate	8.00%	15.00%	8.00%	15.00%
Demographic assumption:				
Withdrawal rate	8.00% to 12.00%	10%	8.00% to 12.00%	10%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58	58-60	58	58-60

The rate used to discount post-employment benefit obligation (both funded and unfunded) shall be determined by reference to market yields at the end of each reporting period on government bonds.

	31 March 2022		31 March 2021	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expected future cash flows				
Within 1 year	13.19	6.92	6.33	3.66
2-5 years	23.61	17.11	26.69	12.63
6-10 years	23.09	9.31	24.48	10.62

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.

	Gratuity		Termination benefits	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2022				
Discounting rate	(3.14)	3.15	(19.81)	20.69
Salary escalation rate	3.11	(3.16)	2.43	(2.53)
31 March 2021				
Discounting rate	(3.83)	4.33	(55.24)	59.32
Salary escalation rate	4.19	(3.79)	5.23	(5.59)

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50 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 (*)	2,700,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
12 February 2014 (*)	500,000		
28 May 2014 (*)	900,000		
12 November 2014 (*)	1,000,000		
11 January 2016 (*)	500,000		
14 May 2016	345,000		
23 May 2017	50,000		
02 November 2018	2,660,000		
03 July 2019	1,135,000		
21 September 2020	111,600	Option granted would vest over a maximum period of 1 years from the date of the grant	2 years
01 March 2021	7,350,000	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 years
22 February 2022	1,000,000		

* Pursuant to sub-division of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each on 26 February 2016, the number of options have been adjusted proportionately.

The expense on Employee Stock Option plan debited to the consolidated statement of profit and loss is ₹ 333.01 (31 March 2021 : ₹ 103.27 including exceptional item of ₹ 30.93). The entire amount pertains to equity-settled employee share-based payment plans. The share option outstanding as on 31 March 2022 is ₹ 379.58 (31 March 2021 : ₹ 77.66).

The Group has revised the estimate, based on legal advice, in respect of number of Employees Stock Options Plan (ESOP) expected to vest under ESOP Scheme 2020, consequent to resignation of the Managing Director and Chief Financial Officer during the current financial year. Accordingly, the Group has reversed the employee benefit expense amounting to ₹ 146.78 during the current financial year.

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 22 February 2022 ranges from ₹ 63.58 to ₹ 85.45 (31 March 2021: 21 September 2020 is ₹ 101.56 and that granted on 01 March 2021 is ranging from ₹ 161.35 to ₹181.46) 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.

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Inputs into the model	31 March 2022	31 March 2021	31 March 2021
Grant date	22 February 2022	March 1, 2021	21 September 2020
Grant date share price	139.70	241.80	140.05
Exercise price	86.00	86.00	40.00
Expected volatility	44.41%	47.7% - 53.5%	52.00%
Option life	3.10 year	1.5 - 5 years	2 year
Dividend yield	0.50	0.2%	0.00
Risk-free interest rate	5.50%	4.2% - 5.8%	3.51%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows.

	March 31, 2022		March 31, 2021	
	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	7,935,900	82.60	4,138,500	31.97
Granted during the year	1,000,000	86.00	7,461,600	85.31
Exercised during the year	1,591,500	70.71	3,443,500	30.34
Forfeited during the year	3,891,900	85.85	220,700	40.00
Options outstanding at the end of the year	**3,452,500**	**85.41**	**7,935,900**	**82.60**

D. Share options exercised during the year

The following share options were exercised during the year:

Option series	Number exercised	Exercise date	Share price at exercise date
1. Granted on 03 July 2019	93,750	29 September 2021	203.15
2. Granted on 21 September 2021	46,200	26 October 2021	180.70
3. Granted on 21 September 2021	9,000	01 December 2021	153.18
4. Granted on 21 September 2021	33,800	24 February 2022	129.83
5. Granted on 03 July 2019	281,250	08 March 2022	122.85
5. Granted on 03 Nov 2018	65,000	08 March 2022	122.85
6. Granted on 01 March 2021	1,062,500	08 March 2022	122.85

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 85.41 (as at 31 March 2021 : ₹ 82.60) and weighted average remaining contractual life of 2.86 years (31 March 2021 : 3.50 years).

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51 Financial instruments

The carrying value / fair value of financial instruments by categories are as follows:

	Carrying value and fair value	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Measured at amortised cost		
Loans	2.52	1.90
Trade receivables	3,292.41	3,461.37
Cash and cash equivalents	574.96	537.44
Other bank balances	17.57	24.52
Other financial assets	117.24	154.72
Other investments	-	-
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (quoted)	369.24	769.99
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	12.99	55.90
Other investments	0.05	0.05
Foreign exchange forward contracts at FVTPL	2.76	1.85
Total	**4,389.74**	**5,007.74**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	3,148.91	2,246.97
Trade payables	2,580.45	2,269.10
Lease liabilities	500.09	522.87
Other financial liabilities	215.83	47.76
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	8.42	-
Measured at fair value through other comprehensive income (FVTOCI)		
Put option liability	-	425.84
Total	**6,453.70**	**5,512.54**

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).

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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 2022 and 31 March 2021:

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 thought profit or loss:					
Derivative financial assets (refer note 16):					
Foreign currency forward contracts	31 March 2022	2.76	-	2.76	-
Foreign currency forward contracts	31 March 2021	1.85	-	1.85	-
Financial liabilities measured at fair value thought profit or loss:					
Derivative financial liabilities (refer note 31):					
Foreign currency forward contracts	31 March 2022	8.42	-	8.42	-
Foreign currency forward contracts	31 March 2021	-	-	-	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (refer notes 6,11 and 31):					
Investment in equity instruments	31 March 2022	369.29	369.24	0.05	-
Investment in equity instruments	31 March 2021	770.04	769.99	0.05	
Put option liability	31 March 2022	-	-	-	-
Put option liability	31 March 2021	425.84	-	-	425.84
Financial assets designated at fair value through profit or loss (refer note 11):					
Investment in mutual funds	31 March 2022	12.99	-	12.99	-
Investment in mutual funds	31 March 2021	55.90	-	55.90	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

(i) Refer note 2(xviii) under significant accounting policy for recognition and measurement of financial assets.

(ii) The fair value of the investments in equity is based on the quoted price. The fair value of investments in mutual fund is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

(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 is derived directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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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 comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Group'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.

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 trade receivable spread by period of six months (net of allowances for doubtful debt receivables):

	31 March 2022	31 March 2021
Outstanding for more than 6 months	19.34	30.88
Others	3,273.07	3,430.49
Total	**3,292.41**	**3,461.37**

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.

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The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

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'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 2022 and 31 March 2021.

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 daily by treasury. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

Particulars	As at 31 March 2022			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	1,924.36	369.93	854.62	3,148.91
Trade payables	2,580.45	-	-	2,580.45
Lease liabilities	81.57	54.18	364.34	500.09
Other financial liabilities	208.15	16.10	-	224.25

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	1,309.91	287.02	650.04	2,246.97
Trade payables	2,269.10	-	-	2,269.10
Put option liability	425.84	-	-	425.84
Lease liabilities	68.90	65.84	388.13	522.87
Other financial liabilities	47.76	-	-	47.76

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All amounts are in ₹ million unless otherwise stated

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 2022		As at 31 March 2021	
	Receivables / (payables) (INR)	Receivables / (payables) in foreign currency	Receivables / (payables) (INR)	Receivables / (payables) in foreign currency
EURO	89.74	1.06	52.81	0.61
USD	784.60	10.35	696.82	9.48
GBP	10.95	0.11	13.12	0.13
EURO	(1,061.64)	(12.54)	(879.25)	(10.21)
USD	(699.70)	(9.23)	(817.37)	(11.12)
JPY	(59.74)	(0.96)	(21.24)	(0.32)
Net exposure	**(935.79)**		**(955.11)**	

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 2022 and 31 March 2021:

Currency	Amount in US $ million			
	As at 31 March 2022	As at 31 March 2021	Buy / Sell	Cross currency
USD	7.00	-	Sell	INR
USD	-	1.40	Buy	INR
GBP	2.00	0.93	Buy	BRL

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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 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 2022	31 March 2021
10% decrease in foreign currency		
Currency of U.S.A (USD)	(8.49)	12.06
Currency of Europe (Euro)	97.19	82.64
Others	4.88	0.81
10% increase in foreign currency		
Currency of U.S.A (USD)	8.49	(12.06)
Currency of Europe (Euro)	(97.19)	(82.64)
Others	(4.88)	(0.81)

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:

	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets		
-Margin money deposit	17.78	24.36
	17.78	**24.36**
Financial liabilities		
-Borrowings from bank	1,338.08	931.73
-Borrowings from others	71.23	90.96
	1,409.31	**1,022.69**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	1,694.00	152.04
-Borrowings from others	45.60	1,072.24
	1,739.60	**1,224.28**

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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.

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.

Interest rate sensitivity analysis for variable-rate instruments

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2022		
Variable-rate instruments	22.30	(22.30)
	22.30	**(22.30)**
31 March 2021		
Variable-rate instruments	21.55	(21.55)
	21.55	**(21.55)**

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 2022, there is no breach of covenant 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.

The Group's gearing ratio at end of each reporting year is as follows:

	31 March 2022	31 March 2021
Borrowings (i) (refer note (i) below)	3,148.91	2,246.97
Cash and cash equivalents (ii)	574.96	537.44
Other bank balances (margin money) (iii) (refer note (ii) below)	17.27	24.36
Current investment (iv)	14.37	56.55
Net debt [(i) - { (ii)+(iii)+(iv) }]	**2,542.31**	**1,628.62**
Equity attributable to owners of the Company	6,924.07	7,276.51
Gearing ratio	**36.72%**	**22.38%**

(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 / Total equity.

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52 Business combinations

52.1 Acquisition of Nourrie Saúde e Nutrição Animal Ltda

On 28 February 2022, the Group had acquired 100% of the interest in Nourrie Saúde e Nutrição Animal Ltda (Nourrie) through a wholly owned subsidiary of Alivira Saúde Animal Ltda, Brazil (formely known as Evance Saude Animal Health Ltda).

The acquisition was executed through an share purchase agreement to acquire 100% of the ownership interest in Nourrie. Nourrie specializes in development and commercialization of nutraceuticals and therapeutic products, with a portfolio of 23 commercialized products for pet and swine, and a near-term pipeline of 17 products. The business is well established with integrated R&D and manufacturing setup, complementary to Alivira's existing local capabilities. The Company also manufactures Transuin, a Ractopamine based product for swine, a key product in Alivira Brazil's portfolio.

The fair value of purchase consideration was ₹ 393.78.

As the measurement period is on going for fair valuation of Intangible assets and recognition of Goodwill, the group has provisionally recognised Goodwill of ₹ 235.29, Other intangible assets of ₹ 133.89 and Net assets of ₹ 24.60 in accordance with 'Ind AS 103 Business Combination'.

Assets acquired and liabilities assumed	**Fair value as at acquistion date**
Property, plant and equipment	6.43
Intangible assets	133.89
Working capital:	
Inventory	13.53
Cash and cash equivalents	14.66
Trade receivable	31.44
Trade payables	(26.54)
Others	(14.92)
Total	**158.49**
Goodwill	235.29
Total purchase consideration	**393.78**

Purchase Consideration	**Amount**
Cash	393.78
Total	**393.78**

52.2 Impact on acquisition on the results of the Group :

Results for the year ended 31 March 2022 includes the following revenue and profit generated from the new acquisition:

	Amount
Revenue from operations	14.82
Profit after tax	5.04

Had this business combinations been effected at 01 April 2021, the proforma revenue and profit for the year from business acquired would have been as below.

	Amount
Revenue from operations	177.79
Profit after tax	60.44

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53 Interest of major non controlling interest in Group activities:

Summarised balance sheet	**Vila Vina. Participacions, S.L.**	
	31 March 2022	**31 March 2021**
Current assets	1,745.52	1,802.50
Current liabilities	1,156.31	1,220.72
Net current assets	**589.21**	**581.78**
Non-current assets	1,167.35	1,106.95
Non-current liabilities	396.81	403.39
Net non-current assets	**770.54**	**703.56**
Net assets	1,359.75	1,285.34
Accumulated non-controlling interest	**469.43**	**482.77**

Summarised profit and loss	**Vila Vina. Participacions, S.L.**	
	31 March 2022	**31 March 2021**
Revenue	3,997.57	3,952.62
Profit for the year	53.89	175.56
Other comprehensive income	-	-
Total comprehensive income	**53.89**	**175.56**
Profit allocated to non-controlling interest	21.56	70.22
Dividends paid to non-controlling interest	15.67	13.16

54 Leases

a. Refer note 3 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 2022	**As at 31 March 2021**
Opening Balance	522.87	607.22
Additions	29.58	7.57
Payments	(81.78)	(106.39)
Accretion of interest	27.58	30.89
Translation reserve	15.50	8.73
Asset modification	-	4.58
Pre closure of Lease arrangement	(13.66)	(29.73)
Closing Balance	**500.09**	**522.87**
Current	81.57	68.90
Non-current	418.52	453.97

The effective interest rate for lease liabilities is in range from 1.50% to 24.00% per annum (31 March 2021 - 1.50% to 24.00% per annum).

c. Impact on statement of profit and loss decrease in profit for the year

	Year ended 31 March 2022	**Year ended 31 March 2021**
Depreciation expense of right-of-use assets	73.17	70.78
Interest expense on lease liabilities	27.58	30.89
Other expenses	19.94	10.41
	120.69	**112.08**

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to the consolidated financial statements for the year ended 31 March 2022

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d. Maturity analysis of leases

Refer note 49.4 for maturity analysis of lease liabilities.

e. Impact on the statement of cash flows is as below:

	Year ended 31 March 2022	Year ended 31 March 2021
Payment of principal portion of lease liabilities	54.20	76.27
Payment of interest portion of lease liabilities	27.58	30.12
Net cash used in financing activities	**81.78**	**106.39**

55 The non-controlling stakeholders of Alivira Saúde Animal Ltda, Brazil (formerly known as Evance Saude Animal Health Ltda) have exercised their put option for disinvesting their 30% stake in the said company, in the earlier quarters as per the terms of Quotaholder's Agreement dated 07 April 2016. Accordingly, the Company has taken over the residual stake and has settled the consideration of ₹ 449.78 (BRL 33.64) on 12 January 2022.

56 Transaction with Struck off companies as on 31 March 2022

	Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2022	Relationship with the struck off company
1	Elysian Life Sciences Private Limited	Balance written off	-	Wholly-owned subsidiaries
2	Taneesh Travel & Tours Private Limited	Travel expenses	-	Vendor

Transaction with Struck off companies as on 31 March 2021

	Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2022	Relationship with the struck off company
1	Taneesh Travel & Tours Private Limited	Balances written back	-	Vendor

57 Following outbreak of COVID-19 pandemic globally and in India, the Group has adopted measures to curb the spread of infections in order to protect health of its employees and business continuity with minimal disruption. Considering that the Group is in business of Animal Health Care which is considered to be an essential service in all the countries, the Group has presence, the Group's operations do not have any significant impact as all its plants are operating and sales continuing. The Group's management, based on internal and external information available, has assessed its impact on carrying value of receivables and intangible assets. The impact of the global health pandemic may be different from that estimates as at the date of approval of these consolidated financial statement and the management will continue to closely monitor any material changes to future economic conditions.

58 On 07 May 2022, subsequent to the year end, there was a incident of fire at Group's API facility in Visakhapatnam, which was brought under control soon.The manufacturing activity was temporarily disrupted and the facility is adequately covered under Insurance and the claim process in ongoing.

59 The Group do 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.

60 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.

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to the consolidated financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

61 A. The Group has not advanced or loaned or invested funds to any other persons or entity (other than inter-company 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. 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

(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.

62 The Group has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013.

63 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

64 The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

65 The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

66 The figures for the corresponding previous year 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 25 May 2022.

For and on Behalf of the Board of Directors

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Mumbai, 25 May 2022

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 accompanying standalone financial statements of Sequent Scientific Limited ("the Company"), which comprise the Balance Sheet as at March 31 2022, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2022, its profit including other comprehensive loss, 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, 2022. 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
Revenue Recognition under Ind AS 115, "Revenue from contracts with customers" (as described in Note 2.4(i) and 31 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. 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: • Read the Company's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns; • 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; • 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; • We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required. • Read and assessed the relevant disclosures made within the standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of investment in subsidiaries and amount due from subsidiaries: (as described in Note 5 and 6 of the standalone financial statements)	
The Company has investments in subsidiaries of ₹ 6,216.92 million and amount due from subsidiary of ₹ 2,384.96 million as at March 31, 2022. 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. 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. 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 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. • We assessed whether there were indications 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. • 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 • We involved valuation specialists to review key assumptions considered in the recoverable amount determination. • 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. • We assessed the disclosures provided by the Company in relation to its annual impairment test in notes to 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 income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

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, 2022 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.

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 that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including 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 account;

   (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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls 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;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;

   (h) 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 42 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, 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 person or entity, 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, no funds have been received by the Company from any person or entity, 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. The dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPTFO3756

Place of Signature: Mumbai
Date: May 25, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEQUENT SCIENTIFIC LIMITED

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

(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 Equipments have not been physically verified by the management during the year but there is a regular programme of verification 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, 2022.

(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 coverage and the procedure of such verification by the management is appropriate.

(b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 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 financial statements, the quarterly returns/statements (including revised) filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans and stood guarantee to companies as follows:

(₹ in Million)

Particulars	Guarantees	Loans
Aggregate amount granted/ provided during the year		
- Wholly owned subsidiaries	423.49	177.66
Balance outstanding as at balance sheet date in respect of above cases		
- Wholly owned subsidiaries	2,451.72	2,384.96

(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 loan 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.

(e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in note 6 to the 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 related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Amount (₹ in million)
Aggregate amount of loans - Repayable on demand	177.66
Percentage of loans to the total loans	100%

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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 manufacture of animal health 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, 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 have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.27	AY 2006-07	Income Tax Tribunal
Income Tax Act, 1961	Income Tax	2.36	AY 2016 -17	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	15.01	AY 2017-18	Commissioner of Income Tax

(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 wilful 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, joint ventures or associate companies. 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 money 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 material fraud by the Company or 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 without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(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) 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) 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 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 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 52 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 52 to the 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: 22110759AJPTFO3756

Place of Signature: Mumbai
Date: May 25, 2022

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 financial statements of Sequent Scientific Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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: 22110759AJPTFO3756

Place of Signature: Mumbai
Date: May 25, 2022

Balance Sheet

as at 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Notes	As at 31 March 2022	As at 31 March 2021
A	**ASSETS**			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3.a	440.87	425.16
	(b) Right-of-use assets (ROU)	3.b	221.33	215.90
	(c) Capital work-in-progress	3.c	14.02	43.40
	(d) Intangible assets	4	6.83	16.75
	(e) Financial assets			
	(i) Investments			
	(a) Investments in subsidiaries	5	6,216.92	6,081.93
	(b) Other investments	5	367.79	769.18
	(ii) Loans	6	2,384.96	2,207.30
	(iii) Other financial assets	7	7.05	9.96
	(f) Deferred tax assets (net)	8	60.31	19.06
	(g) Income tax assets (net)	9	55.95	41.13
	(h) Other non-current assets	10	7.68	5.80
	Total non-current assets		**9,783.71**	**9,835.57**
2.	**Current assets**			
	(a) Inventories	11	679.94	457.90
	(b) Financial assets			
	(i) Investments	12	1.38	0.65
	(ii) Trade receivables	13	524.17	614.35
	(iii) Cash and cash equivalents	14	127.96	4.35
	(iv) Bank balances other than (iii) above	15	0.92	3.05
	(v) Loans	16	0.30	0.28
	(vi) Other financial assets	17	3.34	21.86
	(c) Other current assets	18	120.60	83.21
	Total current assets		**1,458.61**	**1,185.65**
	Total assets		**11,242.32**	**11,021.22**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	19	496.74	496.74
	(b) Other equity	20	9,914.14	9,798.37
	Total equity		**10,410.88**	**10,295.11**
II	**Liabilities**			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Lease liabilities	21	6.27	1.17
	(ii) Others Financial liabilities	22	1.50	-
	(b) Provisions	23	18.13	22.99
	Total non-current liabilities		**25.90**	**24.16**
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	24	155.00	52.17
	(ii) Lease liabilities	25	7.27	3.24
	(iii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	26	77.90	63.05
	Total outstanding dues of creditors other than micro enterprises and small enterprises	26	497.69	524.43
	(iv) Other financial liabilities	27	8.21	10.44
	(b) Provisions	28	16.85	6.56
	(c) Current tax liabilities (Net)	29	6.14	27.23
	(d) Other current liabilities	30	36.48	14.83
	Total current liabilities		**805.54**	**701.95**
	Total liabilities		**831.44**	**726.11**
	Total equity and liabilities		**11,242.32**	**11,021.22**
	Significant accounting policies	2		

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Mumbai, 25 May 2022

Statement of Profit and Loss

for the year ended 31 March 2022

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

		Notes	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	31	2,196.26	2,654.57
II	Other income	32	276.43	199.66
III	**Total income (I+II)**		**2,472.69**	**2,854.23**
IV	**Expenses**			
	(a) Cost of materials consumed	33.a	1,240.07	1,158.81
	(b) Purchases of stock-in-trade	33.b	43.82	85.45
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33.c	(197.33)	(155.60)
	(d) Employee benefits expense	34	273.82	224.19
	(e) Finance costs	35	16.10	26.80
	(f) Depreciation and amortisation expenses	36	95.93	91.28
	(g) Other expenses	37	843.38	988.82
	Total expenses (IV)		**2,315.79**	**2,419.75**
V	**Profit before tax and exceptional item(III-IV)**		156.90	434.48
VI	Exceptional items (VI)	38	-	25.61
VII	**Profit before tax (V-VI)**		156.90	408.87
VIII	Tax expense / (credits)	40		
	(a) Current tax		25.12	73.05
	(b) Deferred tax		5.20	26.89
	(c) Current tax of prior period reversed		(21.41)	(12.20)
	Total tax expenses / (credits)		**8.91**	**87.74**
IX	**Profit after tax (VII-VIII)**		147.99	321.13
X	Other comprehensive income / (expenses)			
	Items that will not be reclassified to profit or loss	20		
	(a) Re-measurements gain / (loss) on defined benefit plans		1.05	(0.45)
	(b) Fair value gain / (loss) from investment in equity instruments		(400.67)	1,030.11
	(c) Income tax relating to items that will not be reclassified to profit or loss		-	(85.86)
	(d) Deferred tax relating to items that will not be reclassified to profit or loss		46.45	(39.03)
	Total other comprehensive income/(expenses) (net of tax) (X)		**(353.17)**	**904.77**
XI	**Total comprehensive income / (expenses) for the year, net of tax (IX+X)**		**(205.18)**	**1,225.90**
	Earnings per equity share	39		
	(1) Basic (in ₹)		0.60	1.30
	(2) Diluted (in ₹)		0.59	1.30
	Significant accounting policies	2		

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Mumbai, 25 May 2022

Statement of Cash Flows

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Net profit before tax and exceptional items		156.90	434.48
Adjustments for:			
Depreciation and amortisation expenses		95.93	91.28
Property, plant and equipment written off		-	21.99
Trade receivables written back		-	(0.29)
Unrealised forex gain/ loss (net)		(2.75)	(10.58)
Finance costs		16.10	26.80
Dividend income		(45.76)	(9.94)
Fair value of corporate guarantee income		(2.53)	(1.40)
Interest income		(175.36)	(107.14)
Profit on sale of property, plant and equipment (net)		(0.06)	(0.09)
Share-based payments to employees		60.85	25.52
Corporate guarantee commission		(10.21)	(9.37)
Gain on sale of investments		-	(15.61)
Operating profit before working capital changes		**93.11**	**445.65**
Changes in working capital			
(Increase)/ decrease in trade receivables, loans and advances and other assets		228.43	(64.65)
(Increase) in inventories		(222.04)	(143.71)
(Increase) / decrease in margin money and unpaid dividend accounts		2.13	5.40
Increase / (decrease) in trade payables, other payables and provisions		9.54	(51.74)
Net change in working capital		**18.06**	**(254.70)**
Cash generated by operations		**111.17**	**190.95**
Income taxes paid (net)		(17.53)	(167.57)
Net cash generated from operating activities	**(A)**	**93.64**	**23.38**
Cash flows from investing activities			
Purchase of property, plant and equipments and intangible assets		(64.45)	(95.18)
Proceeds from disposal of property, plant & equipments		0.52	0.23
Purchase of current investments		-	(1,570.90)
Sale of current investments		-	1,773.50
Proceeds from sale of long term investments		-	1,573.44
Loan given to subsidiary company		(20.00)	(1,534.50)
Interest received		0.27	9.76
Dividend received		41.18	9.16
Net cash generated from / (used in) investing activities	**(B)**	**(42.48)**	**165.51**

Statement of Cash Flows

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from financing activities			
Proceeds / (repayment) from short-term borrowings (net)		102.83	(91.72)
Payment of principal portion of lease liabilities		(7.77)	(4.67)
Loan repaid by subsidiary company		-	9.60
Proceeds from stock options exercised by employees		21.16	104.49
Proceeds from stock options pending allotment		91.38	-
Repayment of long-term borrowings		-	(208.37)
Interest and other borrowing cost paid		(11.71)	(22.60)
Dividend paid		(123.44)	-
Net cash generated from / (used in) financing activities	**(C)**	**72.45**	**(213.27)**
Net increase in cash and cash equivalents during the year	**(A+B+C)**	**123.61**	**(24.38)**
Cash and cash equivalents at the beginning of the year (refer note 14)		4.35	28.73
Cash and cash equivalents at the end of the year (refer note 14)		**127.96**	**4.35**

Note: The 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

As at 31st March 2022	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	56.58	83.35	28.61	168.54
Total liabilities from financing activities	**56.58**	**83.35**	**28.61**	**168.54**

As at 31st March 2021	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	359.80	(327.36)	24.14	56.58
Total liabilities from financing activities	**359.80**	**(327.36)**	**24.14**	**56.58**

Significant accounting policies (Refer note 2)

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	249,870,995	496.74	249,870,995	496.74
Issued during the year	-	-	-	-
Balance at the end of the year	**249,870,995**	**496.74**	**249,870,995**	**496.74**

(b) Other equity

	Share application money pending allotment	Reserves & surplus (note 20)						Reserve for equity instruments through other comprehensive income (note 20)	Total
		Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings		
Opening balance as on 01 April 2020	-	10.65	8,603.82	140.90	174.96	(236.67)	(474.65)	146.42	8,365.43
Profit for the year	-	-	-	-	-	-	321.13	-	321.13
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	-	(0.32)	905.09	904.77
Total comprehensive income / (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**320.81**	**905.09**	**1,225.90**
Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	-	-	-	-	-	434.15	(434.15)	-
Recognition of share-based payments	-	-	-	59.80	-	-	-	-	59.80
Employee stock options issued during the year	-	-	-	-	-	147.24	-	-	147.24
Premium on exercise of options - proceeds received	-	-	123.04	(123.04)	-	-	-	-	-
Balance as at 31 March 2021	**-**	**10.65**	**8,726.86**	**77.66**	**174.96**	**(89.43)**	**280.31**	**617.36**	**9,798.37**

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

	Share application money pending allotment	Reserves & surplus (note 20)						Reserve for equity instruments through other comprehensive income (note 20)	Total
		Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings		
Profit for the year		-	-	-	-	-	147.99	-	147.99
Other comprehensive expenses for the year, net of income tax		-	-	-	-	-	0.74	(353.91)	(353.17)
Total comprehensive income / (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**148.73**	**(353.91)**	**(205.18)**
Share application money pending allotement	91.38								91.38
Recognition of share-based payments	-	-	-	322.50	-	-	-	-	322.50
Employee stock options issued during the year	-	-	-	-	-	31.72	-	-	31.72
Premium on exercise of options - proceeds received	-	-	15.69	(15.69)	-	-	-	-	-
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	(123.44)	-	(123.44)
Vested ESOP lapsed during the year	-	-	-	(4.89)	3.68	-	-	-	(1.21)
Balance as at 31 March 2022	**91.38**	**10.65**	**8,742.55**	**379.58**	**178.64**	**(57.71)**	**305.60**	**263.45**	**9,914.14**

Significant accounting policies (Refer note 2)

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Notes

to the standalone financial statements for the year ended 31 March 2022

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 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No. 22, Wagle Industrial Estate, Thane (W), Maharashtra - 400604, 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 SIGNIFICANT 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.

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 (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest million (up to two decimals), except otherwise stated.

2.4 Significant Accounting Policies

i. Revenue Recognition

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 is recognized 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. Performance obligations are satisfied at one point in time, typically on delivery.The majority of 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

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

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 timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

ii. 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 translated 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 initial transaction.

Exchange difference on capital expenditure are capitalised only to the extent attributable of borrowing costs and balance is charged to the standalone statement of profit and loss.

iii. Borrowing costs

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

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

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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

iv. 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) 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 standalone statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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.

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

v. 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.

vi. 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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone 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 relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Minimum Alternate Tax ('MAT') paid in accordance with 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.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

The Company has considered the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

Notes
to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

vii. 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 is 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.

Notes
to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

viii. Intangible assets

a) Intangible assets acquired separately

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at each financial year end, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

b) Internally-generated intangible asset-research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development 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

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

ix. 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,
- Held primarily for the purpose of trading,
- 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 period.

The Company classifies all other liabilities 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.

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

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

(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.

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.

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

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.

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to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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.

Notes
to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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

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 period of time in exchange for consideration.

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 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:

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to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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.

xvi. Cash and cash equivalents

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

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.

Notes

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All amounts are in ₹ million unless otherwise stated

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.

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

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.

Notes

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All amounts are in ₹ million unless otherwise stated

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 46.

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to the standalone financial statements for the year ended 31 March 2022

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3.a Property, plant and equipment

Cost	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2020	0.36	294.87	6.57	8.20	13.70	326.79	2.30	652.79
Additions	-	14.29	3.08	1.05	2.19	56.10	-	76.71
Deletions	-	28.26	0.14	2.66	2.73	7.36	0.05	41.20
Balance as on 31 March 2021	**0.36**	**280.90**	**9.51**	**6.59**	**13.16**	**375.53**	**2.25**	**688.30**
Additions	-	17.01	2.10	0.52	6.76	62.97	-	89.36
Deletions	-	0.90	0.01	0.02	0.04	4.39	-	5.36
Balance as on 31 March 2022	**0.36**	**297.01**	**11.60**	**7.09**	**19.88**	**434.11**	**2.25**	**772.30**

Accumulated depreciation	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2020	-	27.37	2.29	5.82	8.85	166.32	1.17	211.82
Depreciation expense for the year (refer note 36)	-	11.46	1.16	1.08	2.41	54.10	0.18	70.39
Deletions	-	6.27	0.14	2.66	2.73	7.22	0.05	19.07
Balance as on 31 March 2021	**-**	**32.56**	**3.31**	**4.24**	**8.53**	**213.20**	**1.30**	**263.14**
Depreciation expense for the year (refer note 36)	-	13.74	1.75	0.95	2.06	54.52	0.17	73.19
Deletions	-	0.90	0.00	0.01	0.04	3.95	-	4.90
Balance as on 31 March 2022	**-**	**45.40**	**5.06**	**5.18**	**10.55**	**263.77**	**1.47**	**331.43**

Carrying amount	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2021	0.36	248.34	6.20	2.35	4.63	162.33	0.95	425.16
Balance as on 31 March 2022	0.36	251.61	6.54	1.91	9.33	170.34	0.78	440.87

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 42 for capital commitments.

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

3.b Right of use assets (ROU)

Cost	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 01 April 2020	219.89	-	9.21	2.62	231.72
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Balance as on 31 March 2021	**219.89**	**-**	**9.21**	**2.62**	**231.72**
Additions	-	16.91	-	-	16.91
Deletions	-	-	-	-	-
Balance as on 31 March 2022	**219.89**	**16.91**	**9.21**	**2.62**	**248.63**

Accumulated depreciation	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 01 April 2020	3.88	-	3.57	0.27	7.72
Depreciation expense for the year (refer note 36)	3.88	-	3.56	0.66	8.10
Balance as on 31 March 2021	**7.76**	**-**	**7.13**	**0.93**	**15.82**
Depreciation expense for the year (refer note 36)	3.88	4.87	2.08	0.65	11.48
Balance as on 31 March 2022	**11.64**	**4.87**	**9.21**	**1.58**	**27.30**

Carrying amount	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 31 March 2021	212.13	-	2.08	1.69	215.90
Balance as on 31 March 2022	208.25	12.04	-	1.04	221.33

3.c Detail of Capital work in Progress ageing schedule

i. Capital-work-in progress (CWIP) ageing schedule as on 31 March 2022

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	13.75	0.27	-	-	14.02

ii. Capital-work-in progress (CWIP) ageing schedule as on 31 March 2021

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	32.97	10.43	-	-	43.40

Note

1. There are no projects whose completion is overdue.
2. There are no projects which have exceeded its cost as compared to its orignal plan.

Notes

to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

4 Intangible assets

Cost	Product / process development	Software	Total
Balance as on 01 April 2020	43.40	65.06	108.46
Additions	-	0.39	0.39
Deletions	-	0.24	0.24
Balance as on 31 March 2021	**43.40**	**65.21**	**108.61**
Additions	-	1.34	1.34
Deletions	-	-	-
Balance as on 31 March 2022	**43.40**	**66.55**	**109.95**

Accumulated depreciation	Product / process development	Software	Total
Balance as on 01 April 2020	41.71	37.60	79.31
Amortisation expense for the year (refer note 36)	1.69	11.10	12.79
Deletions	-	0.24	0.24
Balance as on 31 March 2021	**43.40**	**48.46**	**91.86**
Amortisation expense for the year (refer note 36)	-	11.26	11.26
Deletions	-	-	-
Balance as on 31 March 2022	**43.40**	**59.72**	**103.12**

Carrying amount	Product / process development	Software	Total
Balance as on 31 March 2021	-	16.75	16.75
Balance as on 31 March 2022	-	6.83	6.83

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to the standalone financial statements for the year ended 31 March 2022

All amounts are in ₹ million unless otherwise stated

5 Non-current investments

		Face Value	No. of shares	As at 31 March 2022	No. of shares	As at 31 March 2021
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	₹10.00	47,776,470	6,074.83	47,776,470	5,939.84
ii)	SeQuent Research Limited	₹10.00	4,410,000	142.09	4,410,000	142.09
iii)	Elysian Life Sciences Private Limited	₹10.00		-	11,218,178	112.18
	Less: Provision for other than temporary diminution in value			-		112.18
				-		-
	Total (A)			**6,216.92**		**6,081.93**
B	**Other Investments**					
a	**Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income**					
i)	Solara Active Pharma Sciences Limited	₹10.00	552,083	367.74	552,083	769.13
				367.74		**769.13**
b	**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	1,000	0.01
ii)	Tarapur Industrial Manufacturers Association	₹10.00	2,000	0.04	2,000	0.04
				0.05		**0.05**
	Total (B)			**367.79**		**769.18**
	Total (A+B)			**6,584.71**		**6,851.11**
	Aggregate carrying value of unquoted investments (gross)			6,216.97		6,194.16
	Aggregate market value of quoted investments			367.74		769.13
	Aggregate amount of impairment in value of investments			-		112.18

6 Financial assets- Loans (Non-current)

	As at 31 March 2022	Maximum balance during the year	As at 31 March 2021	Maximum balance during the year
Unsecured, considered good				
Loan to related parties (refer note 45.3)				
- Alivira Animal Health Limited, India	2,384.96	2,384.96	2,207.30	2,207.30
- SeQuent Research Limited	-	-	-	9.62
Total	**2,384.96**	**2,384.96**	2,207.30	2,216.92

Notes:

i) All the above loans and advances have been given for business purposes.

ii) The above said disclosure is pursuant to SEBI (Listing Obligations and Disclosure Requirements) and Section 186 (4) of the Companies Act, 2013.

Notes

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All amounts are in ₹ million unless otherwise stated

Loans & Advances given which are repayable on demand or without specifying any terms or period of repayment to following person

Name of Party	Location	CIN	31 Match 2022 Amount outstanding	31 Match 2022 % of Total	31 Match 2021 Amount outstanding	31 Match 2021 % of Total
-Alivira Animal Health Limited, India	India	U74120MH2013PLC248708	2,384.96	100.00	2,207.30	100.00

7 Other non-current financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	6.93	9.96
Margin money deposits	0.12	-
Total	**7.05**	**9.96**

Note:

Balances in margin money deposits are held as security against guarantees

8 Deferred tax assets (net) (refer note 40)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
- Temporary differences on account of depreciation	1.77	1.02
- Temporary Differences of quoted equity instruments valued at fair value	21.02	67.78
Total deferred tax liability (A)	**22.79**	**68.80**
Deferred tax assets		
- Expenses allowable on payment basis	11.74	10.27
- MAT credit entitlement	71.36	77.59
Deferred tax assets (B)	**83.10**	**87.86**
Total (B-A)	**60.31**	**19.06**

9 Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provisions : ₹ 226.98) (31 March 2021 : ₹ 42.95)	55.95	41.13
Total	**55.95**	**41.13**

10 Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	0.57	1.19
Deposit with government authorities	1.09	1.73
Prepaid expenses	6.02	2.88
Total	**7.68**	**5.80**

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All amounts are in ₹ million unless otherwise stated

11 Inventories

	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials	129.49	104.06
Goods-in transit	-	0.40
	129.49	**104.46**
Work-in-progress and intermediates (refer note (i) below)	286.89	237.23
Finished goods	259.61	100.74
Goods-in transit	1.36	12.56
	260.97	**113.30**
Fuel	2.59	2.91
Total inventories (lower of cost and net realisable value)	**679.94**	**457.90**

Note:

(i) Details of inventory of work-in-progress and intermediates:

	As at 31 March 2022	As at 31 March 2021
Bulk drugs	286.89	237.23
Total	**286.89**	**237.23**

(ii) During the year ended 31 March 2022, ₹ 2.61 (31 March 2021 : ₹6.50) was recognised as an expense towards provision for slow moving inventories.

12 Current investments

		Face value	No. of shares / units	As at 31 March 2022	No. of shares / units	As at 31 March 2021
A	**Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income**					
i)	Transchem Limited	₹10.00	26,077	0.57	26,077	0.45
ii)	Techindia Nirman Limited	₹10.00	2,280	0.03	2,280	0.01
iii)	Agritech (India) Limited	₹10.00	6,300	0.78	6,300	0.19
	Total (A)			**1.38**		**0.65**
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	- *	58,800	- *
ii)	Agrodutch Industries Limited	₹10.00	36,250	- *	36,250	- *
	Total (B)			-		-
	Total (A+B)			**1.38**		**0.65**
	Aggregate market value of quoted investments			**1.38**		**0.65**
	Aggregate carrying value of unquoted investments			- *		- *

* represents amount lower than ₹10,000

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13 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	233.58	351.20
Unsecured, considered good (related party)	290.59	263.15
Unsecured, considered doubtful	0.61	0.61
	524.78	**614.96**
Impairment allowance (allowance for bad and doubtful debts)		
Less: Allowance for doubtful trade receivables	0.61	0.61
Total	**524.17**	**614.35**

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	494.10	30.07	-	-	-	-	524.17
(ii) Undisputed Trade Receivables - considered doubtful	-	-	0.05	0.10	0.02	-	0.17
(iii) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	0.44	0.44
Total	**494.10**	**30.07**	**0.05**	**0.10**	**0.02**	**0.44**	**524.78**

As on 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	539.58	74.75	0.02	-	-	-	614.35
(ii) Undisputed Trade Receivables - considered doubtful	-	-	0.13	0.04	0.01	-	0.18
(iii) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	0.43	0.43
Total	**539.58**	**74.75**	**0.15**	**0.04**	**0.01**	**0.43**	**614.96**

Note:

1. Refer note 50.3 for term and other details

14 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- In current accounts	1.16	4.32
- Cheque in hand (Refer note below)	126.77	-
Cash on hand	0.03	0.03
Total	**127.96**	**4.35**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**127.96**	**4.35**

Note:

Cheques in hand pertains to application money received from eligible employees pursuant to exercise of the stock options,pending allotment of the shares.

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All amounts are in ₹ million unless otherwise stated

15 Bank balances other than (note 14) above

	As at 31 March 2022	As at 31 March 2021
In earmarked accounts		
- Unpaid dividend accounts	0.30	0.16
- Margin money deposits (refer note below)	0.62	2.89
Total	**0.92**	**3.05**

Note:

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

16 Financial assets-loan (current)

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to employees	0.30	0.28
Total	**0.30**	**0.28**

17 Other current financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Claims receivable	1.43	21.64
Derivative instruments (fair value)	-	0.10
Others receivable	1.88	-
Interest accrued on fixed deposits	0.03	0.12
Total	**3.34**	**21.86**

18 Other current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to suppliers	5.79	2.14
Balances with government authorities	100.75	67.31
Prepaid expenses	14.06	13.76
Total	**120.60**	**83.21**

19 Share capital

	No. of shares	As at 31 March 2022	No. of shares	As at 31 March 2021
(a) Authorised				
Equity shares of ₹2 each	400,000,000	800.00	400,000,000	800.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹2 each	248,370,995	496.74	248,370,995	496.74
Total		**496.74**		**496.74**

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All amounts are in ₹ million unless otherwise stated

Notes:

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

	No. of shares	Share capital
Fully paid equity shares		
Balance as on 01 April 2020	248,370,995	496.74
Shares issued during the year	-	-
Balance as on 31 March 2021	**248,370,995**	**496.74**
Shares issued during the year	-	-
Balance as on 31 March 2022	**248,370,995**	**496.74**

(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 2022		As at 31 March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	131,680,103	53.02%	131,680,103	53.02%
Infinity Holdings	-	-	14,685,986	5.91%
Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	8,309,763	3.35%	13,357,627	5.38%

(iv) Disclosure of shareholding of the of Promoters

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No of shares	% of total Shares	% Change during the year	No of shares	% of total Shares	% Change during the year
CA Harbor Investments	131,680,103	53.02%	0%	131,680,103	53.02%	100%
Arun Kumar Pillai	-	-	-	-	-	(100%)
K R Ravishankar	-	-	-	-	-	(100%)
Pronomz Ventures LLP	-	-	-	-	-	(100%)
Chayadeep Ventures LLP	-	-	-	-	-	(100%)
Agnus Capital LLP	-	-	-	-	-	(100%)
Chayadeep Properties (P) Ltd	-	-	-	-	-	(100%)
Devicam Capital LLP	-	-	-	-	-	(100%)
Agnus Holdings (P) Ltd	-	-	-	-	-	(100%)
Sajitha Pillai	-	-	-	-	-	(100%)
Rajitha Gopalakrishnan	-	-	-	-	-	(100%)
Hemalatha Pillai	-	-	-	-	-	(100%)
Aditya Arun Kumar	-	-	-	-	-	(100%)
Tarini Arun Kumar	-	-	-	-	-	(100%)
Deepa Arun Kumar	-	-	-	-	-	(100%)
Vineetha Mohanakumar Pillai	-	-	-	-	-	(100%)
Krishna Kumar Nair	-	-	-	-	-	(100%)
Padmakumar Karunakaran Pillai	-	-	-	-	-	(100%)
Yalavarthy Usha Rani	-	-	-	-	-	(100%)

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All amounts are in ₹ million unless otherwise stated

(v) 962,250 shares of ₹2 each (as at 31 March 2021 :1,491,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

(vi) Dividend paid and proposed

Particulars	31 March 2022	31 March 2021
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2021: ₹0.50 per share (31 March 2020 : ₹ NIL per share)	124.19	
	124.19	**-**
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2022 : ₹ NIL per share (31 March 2021 : ₹0.50 per share)	-	124.19
	-	**124.19**

20 Other equity

		As at 31 March 2022	As at 31 March 2021
(i)	**Share application money pending allotment**	91.38	-
(ii)	**Other reserves**		
	Capital reserve	10.65	10.65
	Securities premium account	8,742.55	8,726.86
	Share options outstanding account	379.58	77.66
	General reserve	178.64	174.96
	Retained earnings	305.60	280.31
	Reserve for equity instruments through other comprehensive income	263.45	617.36
	Treasury reserve	(57.71)	(89.43)
	Total	**9,914.14**	**9,798.37**

		As at 31 March 2022	As at 31 March 2021
(a)	**Capital reserve**	10.65	10.65
(b)	**Securities premium account**		
	Balance at the beginning of the year	8,726.86	8,603.82
	Add: Premium on exercise of options - proceeds received	15.69	123.04
	Balance at the end of the year	**8,742.55**	**8,726.86**
(c)	**Share options outstanding account**		
	Balance at the beginning of the year	77.66	140.90
	Add: Employee stock option expenses	322.50	59.80
	Less: Transferred to securities premium account on exercise	(15.69)	(123.04)
	Less: Transferred to general reserve on vested ESOP lapsed during the year	(4.89)	-
	Balance at the end of the year	**379.58**	**77.66**
(d)	**General reserve**		
	Balance at the beginning of the year	174.96	174.96
	Add: Vested ESOP lapsed during the year	3.68	-
	Balance at the end of the year	**178.64**	**174.96**
(e)	**Retained earnings**		
	Balance at the beginning of the year	280.31	(474.65)
	Add: Profit for the year	147.99	321.13
	Add / (less): Other comprehensive income/(expenses) arising from remeasurement of defined benefit obligations, net of income tax	0.74	(0.32)
	Add: Transfer from Reserve for equity instruments through other comprehensive income on sale of quoted quoted equity instruments carried at FVTOCI	-	434.15
	Less: Dividends distributed to equity shareholders	(123.44)	-
	Balance at the end of the year	**305.60**	**280.31**

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Note: The Board of Directors in their meeting held on 30 June 2021 recommended dividend of 25%, i.e. ₹ 0.50 per equity share of ₹2/- each.

		As at 31 March 2022	As at 31 March 2021
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at the beginning of the year	617.36	146.42
	Add / less: Net fair value gain/ (loss) on investment in equity instruments at FVTOCI	(400.67)	1,030.11
	Less: Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	(434.15)
	Less: Income tax relating to items that will not be reclassified to profit or loss	-	(85.86)
	Less:Deferred tax relating to items that will not be reclassified to profit or loss	46.76	(39.16)
	Balance at the end of the year	**263.45**	**617.36**
(g)	**Treasury reserve**		
	Balance at the beginning of the year	(89.43)	(236.67)
	Add: Employee stock options issued during the year	31.72	147.24
	Balance at the end of the year	**(57.71)**	**(89.43)**

Nature and purpose of Reserves

(a) Capital reserve

Capital reserves pertains to amalgamation of subsidiary company.

(b) Securities premium account

Securities premium includes:

i) The difference between the face value of the equity shares and the consideration received in respect of shares issued.

ii) The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(c) Share options outstanding account

This relate to shares granted to the employees of the Company and its subsidiaries.

(d) General reserve

During the earlier years ,the Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve.

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 that the Company has earned 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.

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(g) Treasury reserve

Treasury reserve represents the shares of the Company held by ESOP Trust.

21 Non current lease liabilities

	As at 31 March 2022	As at 31 March 2021
Lease liabilities (Refer note 47)	6.27	1.17
Total	**6.27**	**1.17**

22 Other non-current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Compensation payable	1.50	-
Total	**1.50**	**-**

23 Non-current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (refer note 41)	16.08	17.79
Compensated absences (refer note below)	2.05	5.20
Total	**18.13**	**22.99**

Note:

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

24 Current borrowings

	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand		
Secured loan - at amortised cost		
From banks (refer notes below)	155.00	52.17
Total	**155.00**	**52.17**

Notes:

(i) Working capital loan from banks are secured by a exclusive charge on current assets of the company and exclusive charge on the entire movable and immoveable fixed assets of the Company, both present and future, including exclusive charge on the immovable assets located at Mahad and secured by unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India

(ii) The interest on Working Capital loans are floating in nature which ranges from 5.70% to 7.80% per annum. (31 March 2021:7.80% to 9.45% per annum)

(iii) There has been no breach of covenants attached to the borrowings as at 31 Match 2022.

25 Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Lease liabilities (Refer note 47)	7.27	3.24
Total	**7.27**	**3.24**

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All amounts are in ₹ million unless otherwise stated

26 Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	76.67	61.58
Total outstanding dues of micro enterprises and small enterprises (related party)	1.23	1.47
Total outstanding dues of creditors other than micro enterprises and small enterprises	497.69	524.43
Total	**575.59**	**587.48**

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade payables- micro enterprises and small enterprises	14.63	57.44	3.24	-	-	-	75.31
(ii) Undisputed Trade payables- Others	63.34	427.24	6.73	0.30	0.05	0.03	497.69
(iii) Disputed Trade Payables - micro enterprises and small enterprises	-	-	1.15	1.44	-	-	2.59
Total	**77.97**	**484.68**	**11.12**	**1.74**	**0.05**	**0.03**	**575.59**

As on 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade payables- micro enterprises and small enterprises	5.18	49.88	7.83	0.16	-	-	63.05
(ii) Undisputed Trade payables- Others	45.97	395.60	82.86	-	-	-	524.43
Total	**51.15**	**445.48**	**90.69**	**0.16**	**-**	**-**	**587.48**

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 50.

(iii) Refer note 45.3 for dues payable to related parties

27 Other current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Unclaimed dividends	0.30	0.16
Payables on purchase of property, plant and equipments	5.16	8.91
Other current liabilities	2.75	1.37
Total	**8.21**	**10.44**

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All amounts are in ₹ million unless otherwise stated

28 Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (Refer note 41)	6.61	-
Compensated absences	10.24	6.56
Total	**16.85**	**6.56**

29 Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax) : ₹90.03 (31 March 2021 : ₹264.29)	6.14	27.23
Total	**6.14**	**27.23**

30 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	31.33	13.08
Advance from customers	0.96	0.65
Corporate guarantee liability	4.19	1.10
Total	**36.48**	**14.83**

31 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products (refer note below)	2,159.76	2,618.22
Other operating revenues		
Sale of scrap	2.33	1.89
Duty drawback and other export incentives	0.80	20.33
Processing and conversion charges (refer note 45.2)	33.37	14.13
Total	**2,196.26**	**2,654.57**

(i) Sale of products comprises:

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Manufactured goods		
Bulk drugs	2,113.89	2,491.31
Total- Sale of manufactured goods	**2,113.89**	**2,491.31**
(b) Traded goods		
Bulk drugs	2.15	98.82
Chemicals	43.72	28.09
Total- Sale of traded goods	**45.87**	**126.91**
Total- Sale of products	**2,159.76**	**2,618.22**

(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 from contract with the customer are recognized at a point in time when the Company transfers control over the product to the customer.

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(iii) Reconciliation of revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	2,166.75	2,650.57
Less: trade discounts and sales returns	6.99	32.35
Total Sale of products	**2,159.76**	**2,618.22**

32 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income (refer note (i) below)	175.36	107.14
Profit on sale of property ,plant and equipments (net)	0.06	0.09
Other non-operating income (refer note (ii) below)	49.25	62.89
Dividend income	45.76	9.94
Net gain on foreign currency transactions and translation	3.47	2.30
Gain on sale of investments	-	15.61
Fair value of corporate guarantee income *	2.53	1.40
Provision for trade receivables written back	-	0.29
Total	**276.43**	**199.66**

(i) Interest income comprises:

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on:		
Bank deposits	0.04	0.67
Loans to subsidiary companies (refer note 45.2)	175.18	105.69
Others	0.14	0.78
Total	**175.36**	**107.14**

(ii) Other non-operating income comprises:

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income (refer note 45.2)	9.26	8.82
Guarantee commission (refer note 45.2)*	10.21	9.37
Miscellaneous income	0.36	-
Corporate cross charge (refer note 45.2)	29.42	44.70
Total	**49.25**	**62.89**

* Fair value of corporate guarantee represents income on guarantee provided to a subsidiary Company

33.a Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock (including in-transit)	104.46	117.17
Add: Purchases	1,265.10	1,146.10
Less: Closing stock (including in-transit)	129.49	104.46
Total	**1,240.07**	**1,158.81**
Materials consumed comprises:		
Solvents	374.33	185.90
Chemicals	865.74	972.91
Total	**1,240.07**	**1,158.81**

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All amounts are in ₹ million unless otherwise stated

33.b Purchases of stock-in-trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	43.82	85.45
Total	**43.82**	**85.45**
Purchases of stock-in-trade comprises:		
Bulk drugs	1.91	29.15
Chemicals	41.91	56.30
Total	**43.82**	**85.45**

33.c Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock (including in-transit)		
Work-in-progress and intermediates	237.23	154.01
Finished goods	113.30	40.92
	350.53	**194.93**
Closing stock (including in-transit)		
Work-in-progress and intermediates	286.89	237.23
Finished goods	260.97	113.30
	547.86	**350.53**
Net increase	**(197.33)**	**(155.60)**

34 Employee benefit expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	185.96	171.68
Contributions to provident fund, gratuity and other funds (refer note 41)	18.77	17.03
Share-based payments to employees (refer note 46)	60.85	25.52
Staff welfare expenses	8.24	9.96
Total	**273.82**	**224.19**

35 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on borrowings	10.42	17.75
Other borrowing costs	4.57	8.32
Interest expense on leases liabilities (refer note 47)	1.11	0.73
Total	**16.10**	**26.80**

36 Depreciation and amortisation expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property,plant and equipment (refer note 3a)	73.19	70.39
Depreciation on Right of use assets (refer note 3b))	11.48	8.10
Amortisation on intangible assets (refer note 4)	11.26	12.79
Total	**95.93**	**91.28**

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37 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Power, water and fuel	119.63	127.68
Consumables	31.86	32.13
Conversion and processing charges	375.75	487.47
Freight and forwarding	16.67	28.25
Rent	1.59	1.23
Rates and taxes	14.20	10.01
Communication expenses	3.05	3.99
Repairs and maintenance		
Building	10.07	6.99
Machinery	23.92	17.88
Others	30.96	32.80
Insurance	19.04	13.48
Travelling and conveyance	1.94	1.81
Advertisement and selling expenses	3.07	1.08
Commission on sales	1.82	10.91
Legal and professional fees	113.86	118.13
Payments to auditors (refer note (i) below)	9.22	4.15
Analytical charges	9.52	9.68
CSR expenses (refer note 52)	4.29	1.45
Bad trade receivables written off	-	1.26
Allowances for doubtful trade receivables	-	(1.26)
Bad loans and advances written off	0.17	(112.08)
Provision for other than temporary diminution in value of investments	(112.18)	112.08
Investment written off	112.18	-
Property, plant and equipment written off	-	21.99
Other expenses	52.75	57.71
Total	**843.38**	**988.82**

Note:

(i) Payments to the auditors comprises (net of Goods and Services Tax):

	Year ended 31 March 2022	Year ended 31 March 2021
As auditors - statutory audit (including fees for undertaking limited reviews)	6.20	3.80
Fee for certification and other services	2.95	0.13
Reimbursement of expenses	0.07	0.22
Total	**9.22**	**4.15**

38 Exceptional items*

	Year ended 31 March 2022	Year ended 31 March 2021
Accelerated ESOP costs	-	12.80
One time Bonus	-	12.81
Total	**-**	**25.61**

*Refer note 46(F)

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39 Earnings per share

Profit attributable to equity shareholders

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to equity holders of the Company	147.99	321.13
Profit attributable to equity shareholders for basic and diluted earnings	**147.99**	**321.13**

Weighted average number of equity shares

	Year ended 31 March 2022	Year ended 31 March 2021
Equity shares at beginning of the year	248,370,995	248,370,995
Weighted average effect of treasury shares	(962,250)	(1,491,250)
Weighted average number of equity shares at end of the year for basic EPS	**247,408,745**	**246,879,745**
Share options	3,324,501	990,742
Weighted average number of equity shares at end of the year for diluted EPS	**250,733,246**	**247,870,487**

	Year ended 31 March 2022	Year ended 31 March 2021
Basic earnings per share (in ₹)	0.60	1.30
Diluted earnings per share (in ₹)	0.59	1.30

40 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 2022	Year ended 31 March 2021
i) Income tax expense recognised in the standalone statement of profit and loss		
Current tax	25.12	73.05
Total (I)	**25.12**	**73.05**
Deferred tax charge		
Origination and reversal of temporary differences	(1.03)	9.21
Total (II)	**(1.03)**	**9.21**
MAT		
MAT credit entitlement	6.23	17.68
Total (III)	**6.23**	**17.68**
Provision for tax of earlier years written back (IV)	(21.41)	(12.20)
Total (V = I+II+III+IV)	**8.91**	**87.74**
ii) Tax on other comprehensive income		
Re-measurement (gains) / losses on defined benefit plans	0.31	(0.13)
Income tax relating to items that will not be reclassified to profit or loss	-	85.86
Deferred tax relating to items that will not be reclassified to profit or loss	(46.76)	39.16
Total (VI)	**(46.45)**	**124.89**
Total (V+VI)	**(37.54)**	**212.63**

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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:

	31 March 2022	31 March 2021
Profit before tax	156.90	408.87
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	**45.69**	**119.06**
Differences due to:		
- Exempted income	(13.33)	-
- Effect of additional allowance net of MAT credit	(0.48)	5.38
- Provision for tax of earlier years written back	(21.41)	(12.20)
- Effect of deferred tax on brought forward business losses	-	(20.33)
- Others	(1.56)	(4.17)
Income tax expenses charged to the standalone statement of profit and loss	**8.91**	**87.74**
Effective tax rate	5.68%	21.46%

During the year the Company has recognised MAT credit entitlement which is expected to be available for set off in the future years.

C) Movement in deferred tax assets and liabilities

	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2022
Deferred tax asset (net)				
- Temporary differences on account of depreciation	(1.02)	(0.75)	-	(1.77)
- Expenses allowable on payment basis	10.27	1.78	(0.31)	11.74
- Temporary differences on quoted equity instruments valued at fair value	(67.78)	-	46.76	(21.02)
- MAT credit entitlement	77.59	(6.23)	-	71.36
Total	**19.06**	**(5.20)**	**46.45**	**60.31**

	As at 01 April 2020	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2021
Deferred tax asset (net)				
- Temporary differences on account of depreciation	(9.86)	8.84	-	(1.02)
- Expenses allowable on payment basis	10.23	(0.10)	0.14	10.27
- Carried forward of losses	17.95	(17.95)	-	-
- Temporary differences on quoted equity instruments valued at fair value	-	-	(67.78)	(67.78)
- MAT credit entitlement	66.65	(17.68)	28.62	77.59
Total	**84.97**	**(26.89)**	**(39.02)**	**19.06**

(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.

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41 Employee benefit plans

(i) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹12.88 (31 March 2021 : ₹ 11.73) for Provident Fund contributions and ₹1.64 (31 March 2021 : ₹1.54) for Employee State Insurance Scheme contributions in the standalone statement of profit and loss. As at 31 March 2022, contribution of ₹2.29 (31 March 2021 : ₹2.18) is outstanding which is paid subsequent to the end of respective reporting periods.

(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.

	31 March 2022	31 March 2021
Expense / (income) recognised in the statement of profit and loss:		
Current service cost	4.26	3.76
Net interest cost	1.23	0.95
Expected return on plan assets	(0.11)	(0.14)
Component of defined benefit costs recognised in the statement of profit and loss	**5.38**	**4.57**
Expense / (income) recognised in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expenses)	1.86	0.00
Actuarial (gains) / losses arising from changes in demographic assumptions	(5.63)	
Actuarial (gains) / losses arising from change in financial assumptions	3.09	0.13
Actuarial (gains) / losses arising from experience adjustment	(0.37)	0.19
Components of defined benefit costs recognised in other comprehensive income	**(1.05)**	**0.32**
Total	**4.33**	**4.89**

Net defined benefit obligation as reflected in balance sheet:

	31 March 2022	31 March 2021
Present value of defined benefit obligation (DBO)	22.69	19.54
Fair value of plan assets	-	(1.76)
Net liability recognised in balance sheet	**22.69**	**17.78**

A. Movements in the present value of the defined benefit obligation are as follows:

	31 March 2022	31 March 2021
Opening defined benefit obligation	19.54	14.90
Current service cost	4.26	3.76
Interest cost	1.23	0.95
Benefits paid	(1.67)	(0.39)
Acquisition / Divestiture	2.24	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(5.63)	-
Actuarial (gains) / losses arising from changes in financial assumptions	3.09	0.13
Actuarial (gains) / losses arising from changes in experience adjustment	(0.37)	0.19
Closing defined benefit obligation	**22.69**	**19.54**

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B. Movements in the fair value of plan assets are as follows:

	31 March 2022	31 March 2021
Opening fair value of plan assets	1.75	1.77
Opening Fair Value adjustments	-	(0.15)
Expected return on plan assets	0.11	0.13
Actuarial gain / (loss)	(1.86)	(0.00)
Closing fair value of plan assets	**-**	**1.75**
Estimate amount of contribution in immediate next year	**-**	**1.50**

Actual return on plan assets is ₹ NIL (31 March 2021 : ₹(0.03).

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 2022	31 March 2021
Financial assumption:		
Discount rate	6.88%	6.59%
Salary escalation rate	7.00%	8.00%
Demographic assumption:		
Withdrawal rate	12.00%	8.00%
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.

	31 March 2022	31 March 2021
Expected future cash flows		
Within 1 Year	6.61	1.70
2-5 years	7.40	8.16
6-10 years	9.13	8.12

Average expected future working life is 7.25 years (previous year 10.28 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.

31 March 2022	Impact on the defined benefit obligation	
	100 bps increase	100 bps decrease
Discounting rate	(1.22)	1.02
Salary escalation rate	1.01	(1.23)

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31 March 2021	Impact on the defined benefit obligation	
	100 bps increase	100 bps decrease
Discounting rate	(1.51)	1.71
Salary escalation rate	1.66	(1.50)

42 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
Claims against the Company not acknowledged as debts *		
- National Green Tribunal	-	6.06

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

The Company has a manufacturing plant at Tarapur MIDC, Maharashtra. During the current year, the Company has received a revised order from National Green Tribunal (NGT) (through Tarapur Industrial Manufacturer's Association (TIMA) and Tarapur Environment Protection Society (TEPS)) revising the Company's contribution towards Environmental Damage & Restoration (EDR) cost to ₹10.75, which has been expensed out in the statement of profit and loss for the current year.

	Year ended 31 March 2022	Year ended 31 March 2021
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	6.03	3.87
Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary	2,451.72	2,028.23

43 Due to micro, small and medium enterprises (refer note 26)

	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year	77.90	63.05
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.56	0.21
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	1.38	1.37
The amount of interest accrued and remaining unpaid at the end of the accounting year	2.75	1.37
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

44 Segment Reporting

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.

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45 Related party transactions

45.1 List of related parties

(I) Related parties where control exists

(a) Holding Company

CA Harbor Investments (w.e.f. 17 August 2020)

(b) Subsidiaries

Wholly-owned subsidiaries:

Alivira Animal Health Limited, India

SeQuent Research Limited

Elysian Life Sciences Private Limited (Strike off w.e.f 15 November 2021)

Step down subsidiaries:

Alivira Animal Health Limited, Ireland

Alivira Animal Health Australia Pty Limited (Strike off w.e.f 13 May 2020)

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. (Name changed from Interchange Veterinária Indústria E Comércio Ltda w.e.f 20 January 2022)

Vila Viña Participacions S.L.

Laboratorios Karizoo, S.A.

Laboratorios Karizoo, S.A. DE C.V. (Mexico)

Comercial Vila Veterinaria De Lleida S.L.

Phytotherapic Solutions S.L

Alivira France

Bremer Pharma GmbH

Evanvet Distribuidora De Produtos Veterinarios Ltda (Name changed from 'Evance Saude Animal Ltda w.e.f 03 February 2021)

Alivira Italia S.R.L.

Alivira Animal Health USA LLC

Alivira Animal Health UK Ltd (Incorporated on 29 April 2020)

Nourrie Saúde e Nutrição Animal Ltda (Nourrie) (Refer Note 1 below)

(II) Other related parties with whom transactions have taken place during the year

(a) Key management personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director (till 10 April 2022)

Mr Rajaram Narayanan,Chief Executive Officer & Managing Director (appointed w.e.f 11 April 2022)

Mr. Tushar Mistry, Chief Financial Officer

Dr. Kamal K Sharma,Independent Director (w.e.f. 25 August 2020)

Mr. Milind Sarwate, Independent Director (w.e.f. 25 August 2020)

Mr. Neeraj Bharadwaj, Non-Executive Director (w.e.f. 17 August 2020)

Mr. Gregory Andrews John, Non-Executive Director (w.e.f. 06 November 2020)

Dr. Fabian Kausche, Non-Executive Director (w.e.f. 14 December 2020)

Dr. Kausalya Santhanam, Independent Director

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Mr. K E C Rajakumar, Non-Executive Director (Till 17 August 2020)

Dr. S Devendra Kumar, Non-Executive Director (Till 17 August 2020)

Dr. Gopakumar G. Nair, Chairman and Independent Director (Till 25 August 2020)

Mr. Narendra Mairpady, Independent Director (Till 31 July 2020)

(b) Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company

Agnus Capital LLP (till 17 August 2020)

Pronomz Ventures LLP (till 17 August 2020)

Solara Active Pharma Sciences Limited (till 17 August 2020)

Note:

1 During the year Alivira Saude Animal Ltda acquired 100% stake in Nourri Sae Nutria Animal (Nourrie).

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

The above mentioned provides the information about the Company's structure including the details of the subsidiaries.

The following table provides transactions that have been entered into with related parties for the relevant financial year:

45.2 Transactions for the year

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Sale of materials / services								
Alivira Animal Health Limited, India	1,283.45	1,213.63						
Solara Active Pharma Sciences Limited							-	0.13
Sale of machinery / assets								
Alivira Animal Health Limited, India	0.52	-						
Interest and other income								
Alivira Animal Health Limited, India (*)	175.18	105.46						
SeQuent Research Limited (*)	-	0.23						
Dividend income								
SeQuent Research Limited	44.10							
Purchase of material								
Alivira Animal Health Limited, India	56.59	90.45						
Purchase of import license								
Alivira Animal Health Limited, India	2.90	2.43						

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	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of machinery / assets								
Alivira Animal Health Limited, India	-	2.22						
SeQuent Research Limited	-	2.88						
Managerial remuneration (**) (excluding costs relating to post employment benefits)								
Mr. Manish Gupta (#)								
Short-term benefits					12.26	18.08		
Share-based payments					68.08	94.73		
Total					**80.34**	**112.81**		
Mr. Tushar Mistry								
Short-term benefits					7.90	11.40		
Share-based payments					2.58	19.15		
					10.48	**30.55**		
Directors Sitting Fees								
Mr. K E C Rajakumar					-	0.50		
Mr. Narendra Mairpady					-	0.36		
Dr. S Devendra Kumar					-	0.50		
Dr. Kausalya Santhanam					0.70	1.23		
Dr. Gopakumar Nair					-	0.73		
Dr. Kamal K Sharma					2.40	0.90		
Mr Milind Sarwate					2.50	1.00		
Gregory Andrews John					0.60	0.20		
Dr Fabian Kauche					0.60	0.10		
Directors Commission								
Dr. Kamal K Sharma					0.39	0.30		
Mr Milind Sarwate					0.39	0.50		
Gregory Andrews John					0.78	0.76		
Dr Fabian Kauche					0.78	0.56		
Dr. Kausalya Santhanam					0.39	0.95		
Corporate cross charge income								
Alivira Animal Health Limited, India	25.88	39.65						
SeQuent Research Limited	3.54	5.05						
Corporate cross charge Expenses								
Alivira Animal Health Limited, India	27.00	73.30						
Reimbursement of expenses from								
Agnus Capital LLP							-	2.76

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	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Analytical charges								
SeQuent Research Limited	7.66	5.61						
Processing and conversion charges received								
Alivira Animal Health Limited, India	33.37	14.13						
Investment during the year								
Alivira Animal Health Limited, India (***)	134.99	5.09						
Rental income								
Alivira Animal Health Limited, India	9.26	8.82						

(*)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

(#) The managerial remuneration is approved by the members in the Annual General Meeting on 1st October, 2021.

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Loans given to Company								
Alivira Animal Health Limited, India	20.00	1,534.50						
Loans repaid by the Company								
SeQuent Research Limited	-	9.60						
Sale of Equity Investments								
Pronomz Ventures LLP							-	1,573.44
Commission on corporate guarantee given for loan facility								
Alivira Animal Health Limited, India	10.21	9.37						
Commission on corporate guarantee received for loan facility								
Alivira Animal Health Limited, India	1.90	1.97						
Additional / (reduction) of guarantee given during the year (net)								

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	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Alivira Animal Health Limited, India	423.49	278.53						
Additional / (reduction) guarantee received during the year								
Alivira Animal Health Limited, India	-	(103.41)						
ESOP given to employees of Subsidiary company								
Alivira Animal Health Limited, India	150.53	36.68						
Alivira Animal Health Limited, Ireland			-	10.14				
Investments during the year								
Elysian Life Sciences Private Limited (*)	-	112.08						

45.3 Balance as at Balance Sheet date

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Trade receivables								
Alivira Animal Health Limited, India	290.59	263.15						
Alivira Animal Health Limited, Ireland			-	10.14				
Loans receivable								
Alivira Animal Health Limited, India	2,384.96	2,207.30						
Provision for Investments								
Elysian Life Sciences Private Limited (*)	-	112.08						
Trade payable balance								
SeQuent Research Limited	1.23	1.47						
Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited, India	2,451.72	2,028.23						
Corporate Guarantee received for loan facility								
Alivira Animal Health Limited, India	380.00	380.00						

(*) During the previous year ,the Company has subscribed to the right issue of 11,218,178 shares at ₹10 per share of Elysian Life Sciences Private Limited amounting to ₹112.08 .The amount payable towards this right issue has been adjusted against the sum receivable towards loan given by company to Elysian Life Sciences Private Limited.

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46 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 (*)	2,700,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
12 February 2014 (*)	500,000		
28 May 2014 (*)	900,000		
12 November 2014 (*)	1,000,000		
11 January 2016 (*)	500,000		
14 May 2016	345,000		
23 May 2017	50,000		
02 November 2018	2,660,000		
03 July 2019	1,135,000		
21 September 2020 (#)	111,600	Option granted would vest over a maximum period of 1 years from the date of the grant	2 years
01 March 2021	7,350,000	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 Years
22 February 2022	1,000,000		

* 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 2021-22 is ₹60.85 (31 March 2021:₹38.32) Including exceptional item of ₹ NIL (31 March 2021: ₹12.80) net of recoveries of ₹272.22 (31 March 2021 : ₹64.95) 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 2022 is ₹379.58 (31 March 2021 : ₹77.66)

The Company has revised the estimate, based on legal advice, in respect of number of Employees Stock Options Plan (ESOP) expected to vest under ESOP Scheme 2020, consequent to resignation of the Managing Director and Chief Financial Officer during the current financial year. Accordingly, the Company has reversed the employee benefit expense amounting to ₹83.86 million during the current financial year.

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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 22 February 2022 ranges from ₹63.58 to ₹85.45 (31 March 2021: 21 September 2020 is ₹101.56 and that granted on 01 March 2021 is ranging from ₹161.35 to ₹181.46) 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 2022	31 March 2021	31 March 2021
Grant date	22 February 2022	March 1, 2021	21 September 2020
Grant date share price	139.70	241.80	140.05
Exercise price	86.00	86.00	40.00
Expected volatility	44.41%	47.7% - 53.5%	52.00%
Option life	3.10 year	1.5 - 5 years	2 year
Dividend yield	0.5%	0.2%	0.00
Risk-free interest rate	5.50%	4.2% - 5.8%	3.51%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

Name of the shareholder	March 31, 2022		March 31, 2021	
	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	7,935,900	82.60	4,138,500	31.97
Granted during the year	1,000,000	86.00	7,461,600	85.31
Exercised during the year	1,591,500	70.71	3,443,500	30.34
Forfeited during the year	3,891,900	85.85	220,700	40.00
Options outstanding at the end of the year	**3,452,500**	**85.41**	**7,935,900**	**82.60**

D. Share options exercised during the year

The following share options were exercised during the year:

	Number exercised	Exercise date	Share price at exercise date
1. Granted on 03 July 2019	93,750	29 September 2021	203.15
2. Granted on 21 September 2021	46,200	26 October 2021	180.70
3. Granted on 21 September 2021	9,000	01 December 2021	153.18
4. Granted on 21 September 2021	33,800	24 February 2022	129.83
5. Granted on 03 July 2019	281,250	08 March 2022	122.85
5. Granted on 03 Nov 2018	65,000	08 March 2022	122.85
5. Granted on 01 March 2021	1,062,500	08 March 2022	122.85

E. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹85.41 (as at 31 March 2021 : ₹82.60) and weighted average remaining contractual life of 2.86 years (31 March 2021 : 3.50 years).

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F. Pursuant to Share Purchase Agreement (SPA) entered between Agnus Holdings Private Limited and other promoters and CA Harbor Investments (Carlyle Group),Carlyle Group has acquired 53.02% shareholding of the Company and has been classified as promoter of the Company. The transfer of control to Carlyle Group has resulted into following events-

(a) Accelerated vesting of unvested employee stock options and accordingly during the previous financial year the Company had provided for this cost on an accelerated basis amounting to ₹ 12.80 and

(b) The Company during the previous financial year, had announced a one-time bonus to the existing employees not covered by ESOP Scheme of ₹ 12.81.

The above expenses have been disclosed as exceptional items in the last financial year.

47 Lease Accounting

(i) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 March 2022	As at 31 March 2021
Balance as on 01 April	4.41	9.08
Additions	16.90	-
Accretion of interest	1.11	0.73
Payments	(8.88)	(5.40)
Closing Balance	**13.54**	**4.41**
Current	7.27	3.24
Non-current	6.27	1.17

The effective interest rate for lease liabilities is 10.5 %, with maturity between 2019- 2023.

(iii) Impact on statement of profit and loss decrease in profit for the year

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets (Refer note 36)	11.48	8.10
Finance costs (Refer note 35)	1.11	0.73
Net decrease in profit for the year	**12.59**	**8.83**

(iv) Maturity Analysis of Lease (Refer Note 50.4)

(v) Impact on the statement of cash flows increase / (decrease)

	As at 31 March 2022	As at 31 March 2021
Payment of principal portion of lease liabilities	(7.77)	(4.67)
Payment of interest portion of lease liabilities	(1.11)	(0.73)
	(8.88)	**(5.40)**

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48 Ratio Analysis

Sr. No.	Ratios	Numerator	Denominator	31 March 2022	31 March 2021	% of Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	1.81	1.69	7%	-
2	Debt-Equity Ratio	Total Debts	Shareholder's Equity	0.01	0.01	194%	Refer Note 1
3	Debt Service Coverage Ratio	PAT+ Depreciation + Interest	Debt Service	13.17	1.85	610%	Refer Note 2
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.01	0.03	(57%)	Refer Note 3
5	Inventory turnover ratio	Sale of products	Average Inventory	3.80	6.78	(44%)	Refer Note 4
6	Trade Receivables turnover ratio	Sale of products	Avg. Accounts Receivable	3.79	5.12	(26%)	Refer Note 5
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	3.86	3.54	9%	-
8	Net capital turnover ratio	Sale of products	Working Capital	3.31	5.49	(40%)	Refer Note 6
9	Net profit ratio	Profit after Tax	Net Sales	0.07	0.12	(43%)	Refer Note 7
10	Return on Capital employed	Earning before interest and taxes	"Tangible Net Worth+Total Debt+ Deferred Tax liability"	0.02	0.04	(61%)	Refer Note 8
11	Return on investment	Earning before interest and taxes	Total assets	0.02	0.04	(61%)	Refer Note 9

Notes:

1 Increase in short-term borrowings during the current year
2 Repayment of Long-term borrowings during the previous year
3 Decrease in profit during the current year
4 Increase in Inventory in the current year
5 Decrease in Sales of products in the current year
6 Decrease in Sales of products and increase in working capital in the current year as compared to the previous year.
7 Decrease in Gross Margins during the current year
8 Decrease in profit during the current year
9 Decrease in profit during the current year

49 Transaction with Struck off companies as on 31 March 2022

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2022	Relationship with the Struck off company
Elysian Life Sciences Private Limited	Balances written off	-	Wholly-owned subsidiaries
Taneesh Travel & Tours Pvt Ltd	Employee Travel expenses	-	Vendor

Transaction with Struck off companies as on 31 March 2021

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2021	Relationship with the Struck off company
Taneesh Travel & Tours Pvt Ltd	Balances written back	-	Vendor

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50 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 2022	As at 31 March 2021
Financial assets		
Measured at amortised cost		
Investment in subsidiaries	6,216.92	6,081.93
Other investments	0.05	0.05
Trade receivables	524.17	614.35
Cash and cash equivalents	127.96	4.35
Other bank balances	0.92	3.05
Loans	2,385.26	2,207.58
Other financial assets	10.39	31.72
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	369.12	769.78
Measured at fair value through profit or loss (FVTPL)		
Derivative assets	-	0.10
Total	**9,634.79**	**9,712.91**
Financial liabilities		
Measured at amortised cost		
Borrowings	155.00	52.17
Lease liabilities	13.54	4.41
Trade payables	575.59	587.48
Other financial liabilities (including current and non-current)	9.71	10.44
Total	**753.84**	**654.50**

50.1 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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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 2022 and 31 March 2021:

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:					
Derivative financial assets designated at fair value through profit and loss (note 17):					
Foreign currency forward contracts	31 March 2022	-	-	-	-
Foreign currency forward contracts	31 March 2021	0.10	-	0.10	-
Financial assets designated at fair value through other comprehensive income (note 5 and 12):					
Investment in equity instruments (Quoted)	31 March 2022	369.12	369.12	-	-
Investment in equity instruments (Quoted)	31 March 2021	769.78	769.78	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

(i) Refer note 2.4(xviii) under significant accounting policies for recognition and measurement of financial assets.

(ii) The fair value of the investments in equity is based on the quoted price.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 Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

50.2 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and 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.

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The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange / Regulations. The Audit Committee comprises of two non executive independent directors and one non-executive director nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

50.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to 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 credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months:

	31 March 2022	31 March 2021
Outstanding for more than 6 months	-	0.02
Others	524.17	614.33
	524.17	**614.35**

The Company continuously monitors defaults of customers and other counterparties identified and incorporates this information into its credit risk controls.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

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.

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Information about major customer

Revenue from single external customer is approximately ₹527.31 (31 March 2021 : ₹602.64) representing 24% (31 March 2021 : 23%) of Company's total revenue from business for the year ended 31 March 2022 and total exposure in receivables is 43 % for the year ended 31 March 2022 (31 March 2021: 28%). Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the company. The Company's maximum exposure in this respect is the maximum amount the Company may have to pay if the guarantee is called on. As at 31 March 2022, an amount of ₹2451.72 (31 March 2021 : ₹2,028.23) is outstanding as financial guarantee. These financial guarantees have been issued to banks and other parties with whom loan agreements have been entered by the subsidiary.

50.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by treasury. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

Particulars	As at 31 March 2022			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	155.00	-	-	155.00
Trade payables	575.59	-	-	575.59
Other financial liabilities	8.21	1.50	-	9.71
Lease liabilities	7.27	4.96	1.31	13.54
Total	**746.07**	**6.46**	**1.31**	**753.84**
Financial guarantee				2,451.72

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	52.17	-	-	52.17
Trade payables	587.48	-	-	587.48
Other financial liabilities	10.44	-	-	10.44
Lease liabilities	3.24	1.17	-	4.41
Total	**653.33**	**1.17**	**-**	**654.50**
Financial guarantee				2,028.23

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50.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to interest rate risk arising mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. 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. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate foreign currency exposure.

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).

The Company 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 from financial instruments are given below:

Foreign currency	As at 31 March 2022		As at 31 March 2021	
	Receivable / (payable)	Receivable / (payable) in foreign currency	Receivable / (payable)	Receivable / (payable) in foreign currency
USD	35.70	0.47	151.66	2.06
USD	(63.92)	(0.84)	(52.51)	(0.71)
JPY	(0.60)	(0.96)	(21.13)	(0.32)
GBP	-	-	(0.06)	(0.00)
Net Exposure	**(28.82)**		**77.96**	

b) Derivatives instruments

Derivative transactions are undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.The Company has outstanding forward exchange contracts of USD NIL (31 March 2021:USD 0.10)

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c) **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 2022	31 March 2021
10% decrease in foreign currency		
Currency of U.S.A (USD)	2.82	(9.91)
Others	0.06	2.12
10% increase in foreign currency		
Currency of U.S.A (USD)	(2.82)	9.91
Others	(0.06)	(2.12)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

50.6 Financial instrument - Risk exposure and fair value

Interest rate risk 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 long-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 2022	31 March 2021
Fixed-rate instruments		
Financial assets		
- Margin money deposit	0.74	2.89
Total	**0.74**	**2.89**
Variable-rate instruments		
Financial assets		
- Loans	2,384.96	2,207.30
	2,384.96	**2,207.30**
Variable-rate instruments		
Financial liabilities		
- Borrowings from bank	155.00	52.17
Total	**155.00**	**52.17**

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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	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2022		
Variable-rate instruments	(17.40)	17.40
	(17.40)	**17.40**
31 March 2021		
Variable-rate instruments	(12.24)	12.24
	(12.24)	**12.24**

51 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 loans and 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 2022, 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 2022	31 March 2021
(i) Borrowings (refer note (i) below)	155.00	52.17
(ii) Cash and cash equivalents	127.96	4.35
(iii)Other bank balance (margin money) (refer note (ii) below)	0.62	2.89
(iv)Current investment	1.38	0.65
Net debt [(i) - { (ii)+(iii)+(iv) }]	**25.04**	**44.28**
Total equity	10,410.88	10,295.11
Gearing ratio (Refer note (iii) below)	**0.24%**	**0.43%**

(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.

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52 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 2022	Year ended 31 March 2021
(i) amount required to be spent by the company during the year	4.29	1.45
(ii) amount of expenditure incurred	3.79	0.48
(iii)shortfall at the end of the year *	0.50	0.97
(iv)total of previous years shortfall	0.97	-
(v) Total CSR Expenditure	4.29	1.45
(vi)nature of CSR activities		
Chirag Rural Development Foundation	1.67	0.53
Dev Loka Educational Trust	2.12	0.45
PM Cares fund	-	0.03
Mahad Maharashtra Association	-	0.45
	3.79	**1.45**
Utilization of Unspent CSR of FY 20-21		
Chirag Rural Development Foundation	0.53	-
Dev Loka Educational Trust	0.44	-
Total	**0.97**	**-**

*Amount is transferred to unpsent CSR account

53 Following outbreak of COVID-19 pandemic globally and in India, the Company has adopted measures to curb the spread of infections in order to protect health of its employees and business continuity with minimal disruption. Considering that the Company is in business of Animal Health Care which is considered to be an essential service, the Company's operations do not have any significant impact as all its plants are operating and sales continuing. The Company's management, based on internal and external information available, has assessed its impact on carrying value of receivables and investments. The impact of the global health pandemic may be different from that estimates as at the date of approval of these standalone financial statement and the management will continue to closely monitor any material changes to future economic condition.

54 The Company do 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.

55 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.

56 The Company do not have any charges or satisfaction which yet to be registered with Registrar of Companies beyond the statutory period.

57 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

58 The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

59 The Company has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013

60 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

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61 A. 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 Beneficiary) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary.

B. 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 Beneficiary) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiary.

62 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

63 The standalone financial statements were approved for issue by the board of directors on 25 May 2022.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number- 324982E/E300003

Per **Anil Jobanputra**
Partner
Membership No: 110759

Mumbai, 25 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

SeQuent Scientific Limited

Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,
Wagle Industrial Estate, Thane (West) - 400 604, Maharashtra, India.
Tel No.: +91 22 4111 4777 | **CIN:** L99999MH1985PLC036685
Website: www.sequent.in | **Email:** investorrelations@sequent.in

Notice

NOTICE is hereby given that the Thirty Seventh Annual General Meeting ('AGM') of the Members of SeQuent Scientific Limited (the '**Company**') will be held on Tuesday, September 20, 2022 at 04:00 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, 2022

To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, 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, 2022, and the Report of the Auditors thereon.

Item No. 2: Appointment of Director

To appoint a Director in place of Mr. Neeraj Bharadwaj (DIN: 01314963), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3: Appointment of Director

To appoint a Director in place of Mr. Rahul Mukim (DIN: 06996915), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

Item No. 4: Ratification of remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, Cost Auditors of the Company for the Financial Year ending March 31, 2023

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration not exceeding ₹3,85,000/- (Rupees Three Lakhs Eighty Five Only) plus applicable tax and reimbursement of out of pocket expenses, payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), the Cost Auditors of the Company appointed by the Board of Directors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2023 be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

Item No. 5: Continuation of Non-Executive Independent Directorship of Dr. Kamal Sharma

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, consent of Members of the Company be and is hereby accorded for continuation of Dr. Kamal Sharma (DIN 00209430) as Non-Executive Independent Director of the Company who will attain the age of seventy-five years in October 2022, till completion of his current tenure i.e., upto August 24, 2025.

RESOLVED FURTHER THAT the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution.

By order of the Board of Directors of
SeQuent Scientific Limited

Krunal Shah
Company Secretary & Compliance Officer
Membership No.: ACS 26087

Place: Thane
Date: May 25, 2022

NOTES:

1. In view of continuing pandemic situation of COVID-19, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No.2/2022 dated May 05, 2022 read together with General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 05, 2020, General Circular No.2/2021 dated January 13, 2021, General Circular No.19/2021 dated December 08, 2021 and General Circular No.21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") permitted companies to conduct Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Video Means ("OAVM"), without the physical presence of the Members at a common venue.

   Accordingly, in compliance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ('Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the 37th AGM is being convened and conducted through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (West) - 400 604, Maharashtra, India.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of the Special Businesses specified under Item No. 4 and 5 of the accompanying Notice is annexed hereto. Further, disclosures in relation to Item No. 2 and 3 of the Notice, as required under the Listing Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') forms part of this Notice as an **Annexure – A**.

3. In line with the MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 the notice of the 37th AGM along with the Annual Report 2021-22 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that the Notice and Annual Report 2021-22 will also be available on the Company's website at https://sequent.in/investor-relations.aspx and on 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 on the website of the Registrar and Transfer Agent at https://evoting.kfintech.com/.

4. 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 MCA Circulars, physical attendance of the members has been dispensed with and consequently, the facility for appointment of proxies by the Members will not be available for the 37th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Since the AGM will be held through VC/OAVM, the route map of the venue for the Meeting is not annexed hereto.

6. The following documents will be available for inspection by the Members electronically during the AGM:

   a) Certificate from the Secretarial Auditor confirming that the SeQuent Scientific Limited Employee Stock Option Plan 2020 has been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

   b) Register of Directors and Key Managerial Personnel and their Shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act.

   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 September 15, 2022 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**

SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. 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.

SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation.

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 MCA 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 KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) ("KFintech").

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-B**'.

10. **Scrutinizer for the AGM**

The Company has appointed M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS 4554) or failing him, Ms. Hetal Shah (having Membership No. FCS 8063) 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/Updation**

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)
Unit: Sequent Scientific Limited
Selenium Tower B, Plot Nos. 31 & 32, Financial District
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032

ISR-1 Form can be downloaded from the web link: https://sequent.in/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'), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 and Item No. 5 of the accompanying notice:

Item No. 4:

In accordance with the Companies (Cost Records and Audit Rules) 2014, read with the Companies (Cost Records and Audit) Amendment Rules, 2016, the Company is required to conduct cost audit of its records and in that relation, appoint a Cost Auditor within one hundred and eighty days of the commencement of every financial year. In compliance with the same, the Board of Directors, on the recommendation of the Audit Committee had approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353) as the Cost Auditors of the Company for the financial year 2022-23, on remuneration of upto ₹3,85,000/- plus tax and reimbursement of out of pocket expenses.

M/s. Kirit Mehta & Co, have also conveyed its willingness to act as Cost Auditors of the Company for the year 2022-23.

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year 2022-23, by passing an Ordinary Resolution as set out in Item No. 4 of the Notice.

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 of the Members.

Item No. 5:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on August 25, 2020, approved the appointment of Dr. Kamal Sharma as an Independent Director of the Company for a term of 5 (Five) years with effect from August 25, 2020 which was approved by the Members of the Company by way of Special Resolution passed through Postal Ballot on January 17, 2021.

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') 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.

Dr. Kamal Sharma will turn 75 years of age in the month of October 2022 and thereafter his continuation on the Board of the Company shall require approval of the Members by passing special resolution.

The Board considers that association of Dr. Kamal Sharma would be of immense benefit to the Company and accordingly, the Board of Directors on the recommendation of Nomination and Remuneration Committee has approved the continuation of directorship of Dr. Kamal Sharma as an Independent Director of the Company till the date of expiry of his current term of office, i.e., August 24, 2025.

Details pursuant to Regulation 36 of Listing Regulations and Secretarial Standard - 2, on General Meetings issued by the Institute of Company Secretaries of India, is attached as an **Annexure – A**

Except Dr. Kamal Sharma and his relatives 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 Special Resolution.

Accordingly, approval by the Members is sought for the continuation of directorship of Dr. Kamal Sharma as an Independent Director of the Company, by passing a Special Resolution as set out in Item No. 5 of the Notice.

By order of the Board of Directors of
SeQuent Scientific Limited

Krunal Shah
Company Secretary & Compliance Officer
Membership No.: ACS 26087

Place: Thane
Date: May 25, 2022

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:

Details of Mr. Neeraj Bharadwaj, Director of the Company:

Name of the Director	Mr. Neeraj Bharadwaj
DIN	01314963
Age	53
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 is the Managing Director of Carlyle India Advisors Private Limited, focused on large growth capital and buyout opportunities across sectors in India. Prior to joining Carlyle, he has led and managed multiple companies and has been involved in numerous investments including Apollo Hospitals, Jamdat, Widerthan, NXP among others. He has also worked with McKinsey & Co. as an engagement manager in the past. 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	Liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Nil
Shareholding in SeQuent Scientific Limited as at the date of notice	Nil
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2021-22	Board Meetings: 6 out of 6 Committee Meetings- NRC: 4 out of 5 RMC: 2 out of 2
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	Chairman of Risk Management Committee and Member of Nomination and Remuneration Committee
Details of Directorship	1. Viyash Life Sciences Private Limited 2. Piramal Pharma Limited 3. Nxtra Data Limited 4. Ver Se Innovation Private Limited 5. Hexaware Technologies Limited 6. Coditech Software Solutions India Private Limited 7. Indegene Private Limited 8. Carlyle India Advisors Private Limited He is not a director in any listed company

Details of Mr. Rahul Mukim, Director of the Company:

Name of the Director	Mr. Rahul Mukim
DIN	06996915
Age	39
Date of first appointment on the Board	August 17, 2020
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	Mr. Rahul Mukim is a Director of the Carlyle Group focused on India buyout opportunities and is based in Mumbai. Prior to joining Carlyle, he was a Director at Olympus Capital, where he looked after India-focused growth investments in healthcare and financial services. Earlier, Rahul also worked at Morgan Stanley's hedge fund called Frontpoint, and at ICICI Venture (an India-focused Private Equity Fund). He received an MBA degree from IIM Lucknow and completed Bachelor's degree in Computer Engineering from VJTI, Mumbai.
Terms and conditions of appointment or Reappointment	Liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Nil
Shareholding in SeQuent Scientific Limited as at the date of notice	Nil
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2021-22	Board Meetings: 6 out of 6 Committee Meetings- a. Corporate Social Responsibility Committee: 2 out of 2 b. Stakeholders Relationship Committee: 1 out of 1 c. Audit Committee: 10 out of 10
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	Member of Audit Committee, Corporate Social Responsibility Committee, Ethics and Governance Committee and Chairman of Stakeholders Relationship Committee
Details of Directorship	1. Symed Labs Limited 2. Viyash Life Sciences Private Limited 3. Alivira Animal Health Limited He is not a director in any listed company

Details of Dr. Kamal Sharma, Independent Director of the Company:

Name of the Director	Dr. Kamal Sharma
DIN	00209430
Age	74
Date of first appointment on the Board	August 25, 2020
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	Dr. Sharma is currently the Non-Executive Vice-Chairman of Lupin, with more than 48 years of professional experience in executive positions across Chemical and Pharmaceutical industries, spanning multiple areas such as operations, corporate development, and executive management. As the Managing Director of Lupin, he was instrumental in transforming Lupin into one of the largest and fastest growing pharmaceutical generic company. Previously, he also served as President & Chief Executive of the Life Sciences and Specialty Group, and Member of the Board at RPG Enterprises. Dr. 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 Ph.D. in Economics from IIT, Mumbai. He also attended Advanced Management Program (AMP) at Harvard Business School, Boston.
Terms and conditions of appointment or Reappointment	Not liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Sitting Fees: ₹1,00,000 for attending each meeting of Board and Committee and Payment of commission not exceeding 2% of Standalone Net Profits of the Company.
Shareholding in SeQuent Scientific Limited as at the date of notice	NIL
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2021-22	Board Meetings: 6 out of 6 Committee Meetings- a. Independent Directors Committee Meeting: 1 out of 1 b. Corporate Social Responsibility Committee: 2 out of 2 c. Nomination and Remuneration Committee: 5 out of 5 d. Audit Committee: 10 out of 10
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	Member of Independent Directors Committee, Nomination and Remuneration Committee, Audit Committee and Chairman of Corporate Social Responsibility Committee.
Details of Directorship	**Listed** 1. Lupin Limited **Unlisted** 1. Lupin Healthcare Limited 2. Alivira Animal Health Limited 3. Faisa Financial Private Limited 4. Templetree Properties Private Limited 5. Temple Wellness Ventures India Private limited

ANNEXURE – B

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

Procedure for Remote E-Voting

1. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given in Note No. 8.

2. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants in order to increase the efficiency of the voting process.

3. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

4. Remote e-Voting period commences on Thursday, September 15, 2022 at 09:00 a.m. (IST) and ends on Monday, September 19, 2022 at 05:00 p.m. (IST).

5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, Tuesday, September 13, 2022.

6. Any person holding shares in physical form and non-individual shareholders, 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, may obtain the login ID and password by sending a request at evoting@kfintech.com or einward.is@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

7. In case of Individual Shareholders holding securities in demat mode and 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 may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

8. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

   Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

   Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

   Step 3: Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Method of login / access to Depositories (NSDL / CDSL) e-voting system in case of individual members holding shares in demat mode

Type of member		Login Method
Individual members holding securities in demat mode with NSDL	**A.**	**Instructions for existing Internet-based Demat Account Statement ("IDeAS") facility Users:**
	i)	Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile.
	ii)	On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password.
	iii)	After successful authentication, members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed.
	iv)	Click on company name, i.e. 'Sequent Scientific Limited', or e-voting service provider, i.e. KFintech.
	v)	Members will be re-directed to KFintech's website for casting their vote during the remote e-voting period and voting during the Meeting.
	B.	**Instructions for those Members who are not registered under IDeAS:**
	i)	Visit https://eservices.nsdl.com for registering.
	ii)	Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
	iii)	Visit the e-voting website of NSDL https://www.evoting.nsdl.com/.
	iv)	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.
	v)	Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.
	vi)	After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page.
	vii)	Click on company name, i.e. Sequent Scientific Limited, or e-voting service provider name, i.e. KFintech, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the Meeting.
	viii)	Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
		NSDL Mobile App is available on App Store Google Play
Individual members holding securities in demat mode with CDSL	**A.**	**Instructions for existing users who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:**
	i)	Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com
	ii)	Click on New System MyEasi.
	iii)	Login to MyEasi option under quick login.
	iv)	Login with the registered user ID and password.
	v)	Members will be able to view the e-voting Menu.
	vi)	The Menu will have links of KFintech e-voting portal and will be redirected to the e-voting page of KFintech to cast their vote without any further authentication.
	B.	**Instructions for users who have not registered for Easi / Easiest**
	i)	Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering.
	ii)	Proceed to complete registration using the DP ID, Client ID (BO ID), etc.
	iii)	After successful registration, please follow the steps given in point no.1 above to cast your vote.
	C.	**Alternatively, instructions for directly accessing the e-voting website of CDSL**
	i)	Visit www.cdslindia.com
	ii)	Provide demat Account Number and PAN

Type of member	Login Method
	iii) System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.
	iv) After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz., 'Sequent Scientific Limited' or select KFintech.
	v) Members will be re-directed to the e-voting page of KFintech to cast their vote without any further authentication.
Individual members login through their demat accounts / Website of Depository Participant	**A. Instructions for login through Demat Account / website of Depository Participant**
	i) Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.
	ii) Once logged-in, members will be able to view e-voting option.
	iii) Upon clicking on e-voting option, members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.
	iv) Click on options available against Sequent Scientific Limited or KFintech.
	v) Members will be redirected to e-voting website of KFintech for casting their vote during the remote e-voting period without any further authentication.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.	
Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:	
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

II) Method of login / access to KFintech e-voting system in case of members holding shares in physical and non-individual members in demat mode

Type of member	Login Method
Members whose email IDs are registered with the Company / Depository Participants(s)	**A. Instructions for Members whose email IDs are registered with the Company / Depository Participants(s),** Members whose email IDs are registered with the Company / Depository Participant(s) will receive an email from KFintech which will include details of E-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
	i) Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile.
	ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with KFintech for e-voting, they can use their existing User ID and password for casting the vote.
	iii) After entering these details appropriately, click on "LOGIN".
	iv) Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt the member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential.
	v) Members would need to login again with the new credentials.
	vi) On successful login, the system will prompt the member to select the "EVEN" i.e., 'Sequent Scientific Limited - AGM" and click on "Submit"
	vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A member may also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
	viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

Type of member	Login Method
	ix) Voting has to be done for each item of the Notice separately. In case a member does not desire to cast their vote on any specific item, it will be treated as abstained.
	x) A member may then cast their vote by selecting an appropriate option and click on "Submit".
	xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
Members whose email IDs are not registered with the Company / Depository Participants(s)	**B. Instructions for Members whose email IDs are not registered with the Company / Depository Participants(s), and consequently the Notice of Meeting and e-voting instructions cannot be serviced**
	i) Members, who have not registered their email address, thereby not being in receipt of the Notice of Meeting and e-voting instructions, may temporarily get their email address and mobile number submitted with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx.
	ii) Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, members may write to einward.ris@kfintech.com.
	iii) Alternatively, members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice and the e-voting instructions.
	iv) After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

Method / Access to join the Meeting on KFintech system and to participate and vote thereat -

Type of member	Login Method
All shareholders, including Individual, other than Individual and Physical, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting	**A. Instructions for all the shareholders, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting:**
	i) Members will be able to attend the Meeting through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFintech.
	ii) After logging in, click on the Video Conference tab and select the EVEN of the Company.
	iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.
	iv) The procedure for e-voting during the Meeting is same as the procedure for remote e-voting since the Meeting is being held through VC / OAVM.
	v) The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the Meeting.
	vi) E-voting during the Meeting is integrated with the VC / OAVM platform and no separate login is required for the same.

Other Instructions

i. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from September 14, 2022 at 09:00 a.m. (IST) upto September 15, 2022 at 05:00 p.m. (IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

ii. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option.

iii. Only bonafide Members of the Company whose names appear in the Register of Members as on Tuesday, September 13, 2022 will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members to attend the Meeting.

iv. Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 13, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names will be entitled to vote. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

v. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cutoff date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

  Example for NSDL:
  MYEPWD <SPACE> IN12345612345678

  Example for CDSL:
  MYEPWD <SPACE> 1402345612345678

  Example for Physical:
  MYEPWD <SPACE> XXXX1234567890

- If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

vi. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

vii. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard. Further, the SEBI vide its Circular no. SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue shares in dematerialized format only while processing service request such as issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

Notes

Notes

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

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