Sequent
Proven Ability In Life Sciences

August 30, 2021

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,

Sub: Notice of 36th Annual General Meeting and Annual Report for the FY 2020-21

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice convening 36th Annual General Meeting ('AGM') along with Annual Report of the Company for FY 2020-21, being sent to the Members through electronic mode.

The AGM of the Company will be held on **Tuesday, September 21, 2021** 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/(7%20MB)%20Sequent%20AR%202020-21.pdf

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For **Sequent Scientific Limited**

Krshah

Krunal Shah
Company Secretary & Compliance Officer

SEQUENT SCIENTIFIC LIMITED

Sequent
Proven Ability In Life Sciences

ALIVIRA

AHEAD

with purpose and confidence

Annual Report 2020-21

Welcome to SeQuent

Over the last few years, we have emerged as India's largest animal health company with presence in 100+ countries. Our eight manufacturing facilities based in 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 formulations, animal health Active Pharmaceutical Ingredients (API), and provide analytical services to the pharmaceutical and life sciences industry.

Performance FY21

Financial

Revenue from operations
₹ 13,616 Mn
15.5%

Operating EBITDA
₹ 2,375 Mn
35.1%

Operating EBITDA margin
17.4%
250 bps

Profit after tax
₹ 954 Mn
36.5%

Cashflow from operations
₹ 1,585 Mn
24.7%

Operational

Revenue from formulations
₹ 9,055 Mn
16.3%

Revenue from APIs
₹ 4,561 Mn
13.9%

Growth in FY21

Contents

The Sequent Story

Statutory Reports

Financial Statements

AHEAD with purpose and confidence

Our purpose and confidence is reflected in the way we have created a unique and robust business model with focused investments in high-impact markets and steady performance year on year.

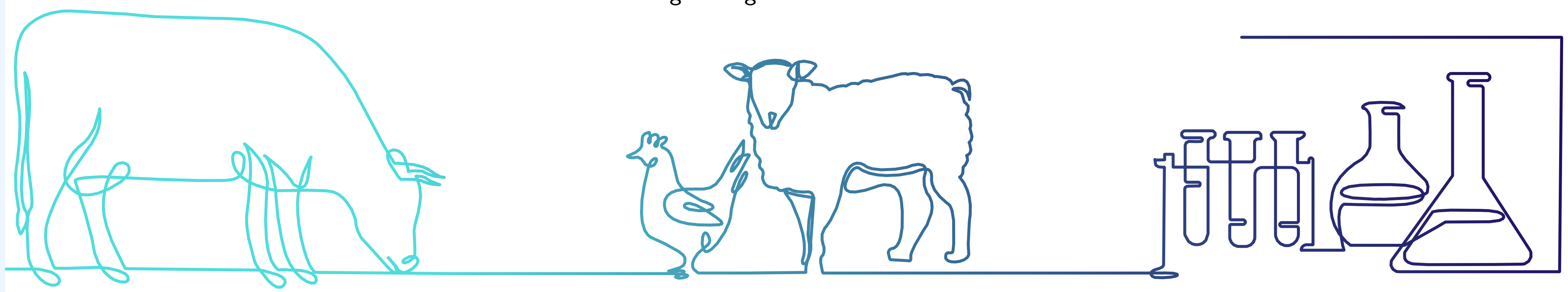
Our investments in setting up India's only USFDA approved greenfield veterinary API facility to provide best-in-class APIs to animal health companies worldwide are catalysing growth on the back of recent commercialisations, and we expect continued momentum in the coming years. Our formulations business is also performing well, enabling us to stay ahead of the curve.

Although FY21 saw significant pandemic-induced volatility, we concentrated on consolidating gains made in the previous years. These include building strategic capabilities, expanding presence in key markets, strengthening existing portfolio along with reinforcing R&D pipeline, securing our cash flow and strengthening our balance sheet.

In September 2020, The Carlyle Group, a leading global private equity player, acquired a majority stake in SeQuent. This acquisition, which is the first and the largest control transaction by Carlyle in India, is a testimony to the strengths of SeQuent's business model. We have successfully traversed SeQuent 1.0 to be among the top 20 animal health players worldwide and now are on track to enter the next phase of growth.

With Sequent 2.0, we are directing our resources towards building a more resilient and value-focused business model. We have already on-boarded commercial and technical experts to support the execution phase of our journey.

With deeper conviction in our purpose and confidence to achieve it within a viable timeline, we are moving ahead to build Sequent 2.0.



Chairman's address

AHEAD with clarity and conviction

Dear Shareholders,

It is a pleasure to communicate with all for the first time after assuming the role of the Chairman of your Company.

I am excited to be part of the journey that SeQuent has charted for itself, which is to emerge as a global animal health major in the coming years. The Board is bestowed with the role to mentor and help the team in its endeavour.

I am pleased to introduce our newly inducted Board of Directors. Mr. Milind Sarwate, Independent Director has experience in corporate finance, value creation, effective governance and capability building. Mr. Neeraj Bhardwaj, Carlyle nominee, has expertise in large growth capital and buyout opportunities. Mr. Gregory John Andrews, Carlyle nominee, has CXO level experience in animal health for the developed markets. Mr. Rahul Mukim, Carlyle nominee, has expertise in buyout opportunities and healthcare growth investment. Dr. Fabian Kausche, Carlyle nominee, has all round expertise in animal health including R&D, product innovation and scientific advisory. I welcome all of them on the SeQuent Board. The new directors complements the skills and experiences of our current board members including Dr. Kausalya Santhanam, Independent Director, Mr. Manish Gupta, Managing Director, and Mr. Sharat Narasapur, Joint Managing Director and are confident that they will provide valuable perspectives as we continue to execute our strategy, drive profitability and enhance value for all Sequent's shareholders.

The global animal healthcare market is estimated at US$ 51 billion in 2020 and is forecasted to grow at a CAGR of 5% between 2021 and 2027 led by increasing protein demand and prevalence of animal specific diseases. North America, Europe and Latin America constitute a significant portion of the global animal healthcare market. In India, the livestock population contributes 4.5% of India's GDP, making it an important factor of the rural economy.

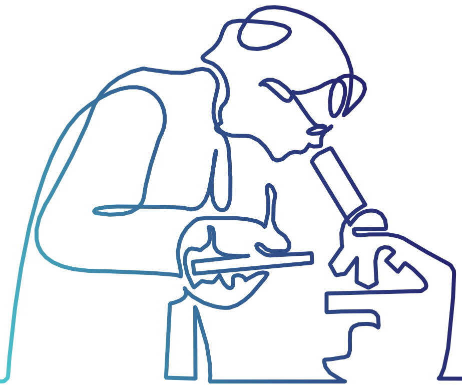
I had to start the journey in a most challenging year due to the COVID-19 pandemic, which caused a scale of suffering that is hard to comprehend. In some parts of the world, the situation deteriorated further in recent months. The swiftness and intensity of the second wave overwhelmed the health systems, devastating lives, and livelihoods. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone who has suffered the loss of loved ones. Given the scientific progress and the way the pharmaceutical industry has responded, I am confident we will eventually be able to overcome the challenges.

In a challenging environment, the leadership team at SeQuent prioritised the health and well-being of the employees and worked closely to take care of the employees. I would like to extend my sincere gratitude to SeQuent's go-getters for their commitment towards the business in these trying times. Their dedication enabled us to achieve a creditable performance in this financial year.

What you see as the SeQuent of today is the result of several well-thought-out bold decisions taken over the years to transform a diversified business into a global animal health company. SeQuent essentially is driving the transformation of a niche industry in India. The leadership team built strategic capabilities, which include formulations-led inorganic acquisitions to build front-end presence in key animal health markets of Europe, Brazil, and Turkey; and established the only USFDA approved greenfield veterinary API facility in India.

We are now commencing on our next phase of growth, internally referenced as SeQuent 2.0. SeQuent 2.0, in our opinion, is no different from SeQuent 1.0, except that it has a bolder ambition led by a strategic global investor and backed by the valuable experience of a well-diversified board of directors. SeQuent 2.0, we envision, will be bigger, bolder, and more ambitious in the future, focusing on growing penetration in existing markets while also expanding our scale in newer, high-growth geographies.

We will draw upon the distinguished board's experience in scaling businesses to support entry into new markets and open up opportunities as we embark on the transformational journey of Sequent 2.0. This will be in line with the Sequent 2.0 blueprint of entering key animal health markets of the USA, select EU and South-East Asian markets, making injectables as the core domain strength in terms of R&D as well as manufacturing, and foray into the companion animal or pet business in the select markets of India, Turkey, and Brazil. Further, strategic partnerships with global animal health companies will elevate SeQuent's relationship to the next level.



> **"I must say that what lies ahead of us is a sea of opportunity waiting to be explored and the journey will certainly be an eventful one."**

Before I sign off, I must say that what lies ahead of us is a sea of opportunities waiting to be explored and the journey will certainly be an eventful one. I thank the employees and various stakeholders, including bankers, customers, vendors for supporting the company so far and look forward to their support in future too. I would also like to thank all the shareholders in reposing their faith and encouraging the management to put out their best.

Warm regards
Dr. Kamal K Sharma
Chairman

Managing Director's message

Striving relentlessly to stay AHEAD

Dear Shareholders,

It gives me immense pleasure to share my thoughts about your Company's performance in FY21. Before I begin, I hope and pray that you all are safe and in good health in these testing times.

The year gone by was a landmark year for Sequent, as we demonstrated the strength of our unique business model in a challenging and unpredictable environment caused by the COVID-19 pandemic. Even though your Company did not face closure of operations because of the nature of the business, which falls under essential services, we faced significant operational challenges.

Your Company went through an ownership change with The Carlyle Group coming on-board. The Board was also broad-based with induction of luminaries from the Indian and global animal health industry. They bring along a wealth of experience and thought leadership to the Company. This was followed up with extensive engagement with various consultants in the fiscal to establish a framework for Sequent 2.0.

Our noteworthy performance during the financial year was possible only due to the resilient and motivated team at SeQuent that rose to the occasion and overcame various operational challenges. We facilitated a smooth Promoter transition, and worked with various consultants to chart the way ahead without taking our eyes off the day-to-day operations which enabled us to fulfil our obligation towards all the stakeholders. Success of all that we achieved during the year, and at the same time setting the stage for our journey forward rests solely with the 1,900+ employees across geographies, who were instrumental in delivering under extremely trying circumstances.

While we were able to overcome many challenges, it did come at a cost as the second wave impacted our team in India and abroad. I deeply mourn the loss of two of our employees in Tarapur, whose contributions to the organisation will be remembered with respect. While lives cannot be replaced, I am thankful to the Promoters and the Board of Sequent to put in place a safety net for the well-being of the employees and their families in these difficult times.

Employee safety continues to be our priority. Consistent with the said approach, most of the team around the globe have already received at least one dose of vaccine, and it is only a matter of time until everyone in the organisation is fully vaccinated.

Let me now discuss some of the business and strategic decisions we made this year and how we believe they are aligned with our strategy.

Success of all that we achieved during the year, and at the same time setting the stage for our journey forward rests solely with the 1,900+ employees across geographies, who were instrumental in delivering under extremely trying circumstances.

"Your Company went through an ownership change with The Carlyle Group assuming Promoter's role in the Company."

Mr. Manish Gupta
Managing Director

Managing Director's message (contd.)

Business operations

We commercialised three new APIs and filed four US Veterinary Master Files (USVMFs) during the year, bringing our total USFDA filings to 23, in addition to our 11 CEP (Certificate of Suitability) approvals in Europe. We also made our maiden formulation filing in the key animal health markets of the United States, Canada, and Australia. Our first value-added injectable formulation developed at India R&D and manufactured in Germany was one of the major commercial successes in Europe.

We also commercialised Halofusol® and Citramox LA in Europe. Their approval timelines of less than 12 months from the filing date demonstrate the Company's strong development capabilities for regulated markets. In addition to the above launches, we entered into a long-term distribution arrangement with Zoetis for their ruminants portfolio in India, opening up a new avenue of growth. Our pipeline of 35+ products under development keeps us confident of maintaining our momentum going ahead.

In our API business, we inked a long-term multi-product arrangement with a prominent animal health company, marking our foray into the contract development and manufacturing (CDMO) business. This arrangement includes co-investment in our Vizag facility with commercial benefits accruing from 2023. Our R&D team is also working on a robust pipeline of 8+ molecules, with a focus on supply chain security and strategic interplay with our formulations business.

Our robust pipeline of formulations and API products will enable us to grow our prominence across markets.

Capacity build-up

We undertook commercial and operational capability enhancement across the organisation both in FDFs and APIs led by a de-bottlenecking project at Mahad to increase our Albendazole capacity. Our expansion in Vizag is a two-phase project, with the first phase now completed while the second phase is expected to conclude in the next year making us future-ready.

In formulations, we targeted a 4x capacity enhancement at our German facility which had to be deferred due to execution challenges caused by COVID-19. We are simultaneously working on enhancing the Beta-lactam and oral solids manufacturing capacities at our Turkish facility which will be completed in 2022 enabling us to serve the growing demand from European markets.

Strengthened our international prominence

We consolidated the minority stake of our partners in Turkey, Belgium, and the Netherlands during the year and expect to consolidate Brazil's business later in the current financial year.

Strategy ahead

As mentioned in my opening remarks, we engaged with Stonehaven Consulting, a specialist firm in the Animal Health space, to help us formulate the growth strategy. We also hired PwC to help us strategise operations for efficiency and cost. I am happy to state that both the projects have been completed and we now have a blueprint that will form the foundation for our journey ahead. Initial feedback from their findings validates the strength of our business model while identifying some additional growth engines that will have a meaningful impact on your Company over the next few years. We continue to onboard industry experts across functions to ensure we always have the best people driving seamless execution across locations.

Financial performance

We believe what we achieved during the year is underpinned by our six-year-old investing strategy of focusing on the regulated market business. Our turnover increased by 15.5%, with the formulation revenues segment growth outpacing APIs. This was led by geographies such as India, Turkey, and Brazil, seeing excellent growth even as Europe regained its footing. Our EBITDA was over ₹237 crores for the year, with an operating margin of 17.4% and net profit of ₹95 crores, a 36.5% rise.

We significantly reduced our net debt even along with consolidating the minority interest of our partners which was largely funded by liquidation of our Strides stake. We anticipate that this pace will continue and we will be debt-free within the next two years, barring any inorganic opportunities. We continue to emphasise on judicial use of capital and we are happy to report that our ROCE increased from 7.8% in FY18 to ~20% in FY21.

Over the years, we have strengthened the financials which is evident from the fact that we received 7 rating upgrades over a period of six years on account of our sustained business performance. This demonstrates our financial prowess and the robustness of our unique business model with a consistent focus on the long term.

The Company also rolled out a new ESOP scheme in March 2021 to align the interest of management and employees to the long-term business goals.

It is a matter of pride that we were recently recognised for the second consecutive year by IHS Markit Animal Pharma News as the Best Company in India/Middle East/Africa for 2020, a testimony of our consistent out-performance in the animal health industry.

Formulation pipeline

35+

API pipeline

8+

SeQuent 2.0

Now coming to Sequent 2.0, we collaborated with advisors in FY21 to craft our amplified vision and strategy for next phase of the journey. I am pleased to report that we now have a clear path ahead, which will largely reflect in the bolder steps we intend to take as we expand our footprints in key missing markets of the United States, UK, Germany along with select Southeast Asian markets; making injectables our core domain of strength, both in terms of R&D and manufacturing; along with foray into the pet business in select markets of India, Turkey, and Brazil.

To achieve this vision, we plan to invest in the range of ₹2 billion in expanding our market presence across geographies over the next two years. Some of these investments will be large and are being made with a long-term perspective and we expect to see the benefits accrue from these investments in the next few years.

Carving a value-focused niche

As I conclude, I am reminded of Robert Frost's poem 'The Road Not Taken' how the poem was a metaphor about the journey of life, the choices we make and reflect on the journey without regret, we at SeQuent feel have traversed a journey we believed in and carved a niche for ourselves in animal health industry.

The Carlyle Group's investment in SeQuent alludes to Indian animal health companies' global potential being unlocked. I believe this is just the beginning and as the Indian animal health sector acquires momentum, draws better expertise, the future can only be better.

While the Carlyle investment will help us in the journey ahead, I will be failing in my duty if I do not express my gratitude to our erstwhile Promoters – Mr. Arun Kumar and Mr. K.R. Ravi Shankar as well as the Board for their support and faith in bringing the organisation to its current position.

The Sequent family is committed to building a true homegrown global powerhouse in the animal health space, as part of Sequent 2.0 journey. As the flagbearers of the animal health industry from India, we are confident that this will yield ample rewards in the long term for all stakeholders.

Warm regards,
Manish

The Carlyle Group's investment in SeQuent alludes to Indian animal health companies' global potential being unlocked. I believe that this is just the beginning of a great future as the Indian animal health business acquires momentum and draws better expertise and increased visibility.

Corporate identity

AHEAD with an arsenal of ideas

Ever since inception, we have accomplished many milestones. We continue to consolidate gains of the preceding years, as we build stronger growth pivots for the future with steady investments and sharper focus. The journey, however, is far from over, and we will continue to power our two fast-growing business segments of formulations and APIs with further investments and structural moves.

Global expertise powers our wheels

We are backed by 'The Carlyle Group' – one of the most diversified global investment firms, with deep understanding of the Indian market, and an ability to create significant long-term value.

This offers us a unique opportunity to build strategic partnerships along with leveraging operational expertise to optimise our operations. Interestingly, the convergence of our decades-rich experience and Carlyle's insight offers an opportunity to seek new frontiers of growth in the animal healthcare sector.

During the year, we not only onboarded new Promoters, but also reconstituted our Board with industry stalwarts. Under the guidance of our restructured Board, we are confident that we will be able to accelerate our journey forward.

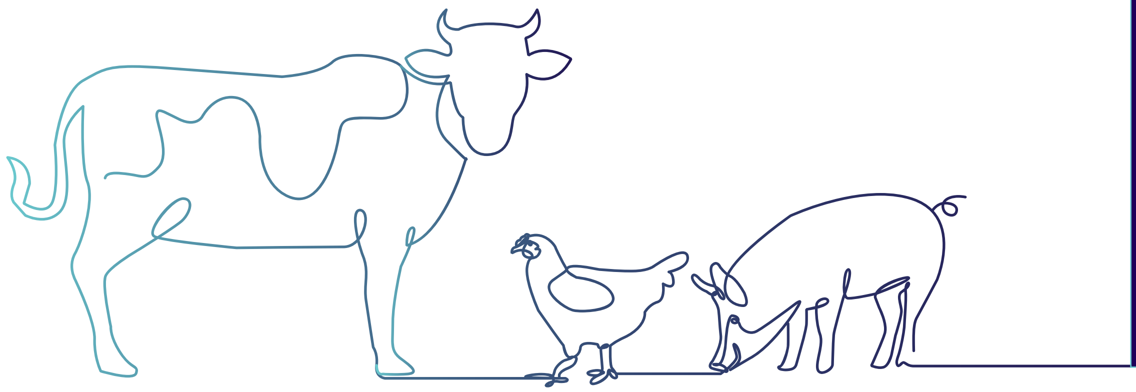
A diversified portfolio

We offer a comprehensive portfolio of finished drug formulations, active pharmaceutical ingredients along with analytical services, which address the needs of the global animal health sector and contribute to the global food security. We have a unique, globally diversified and resilient business model, driven by strong execution skills.

Next is exciting

We have embarked on the journey of 'SeQuent 2.0', driven by rich commercial experience and successful track record of the leadership team supplemented by technical team's hands-on experience of running facilities approved by global regulatory agencies. We will focus on complex generics development and expand portfolio by offering value-added / specialty formulations. A pipeline of value-added APIs is being developed, which will allow for greater engagement with key animal health companies. Augmenting internal capabilities & manufacturing capacities will lay the foundation for our journey ahead which includes establishing front-end presence in key missing animal health markets, along with entry into new segments in markets where we already have a established commercial setup.

We are backed by 'The Carlyle Group' – one of the most diversified global investment firms, with deep understanding of the market, and an ability to create value through its operational expertise.



Largest
Animal Health company from India

1,000+
Finished dosages across 12 dosage forms

30
Commercial APIs

100+
Countries Presence

~2/3
Revenues from regulated markets

8
State-of-the-art manufacturing facilities

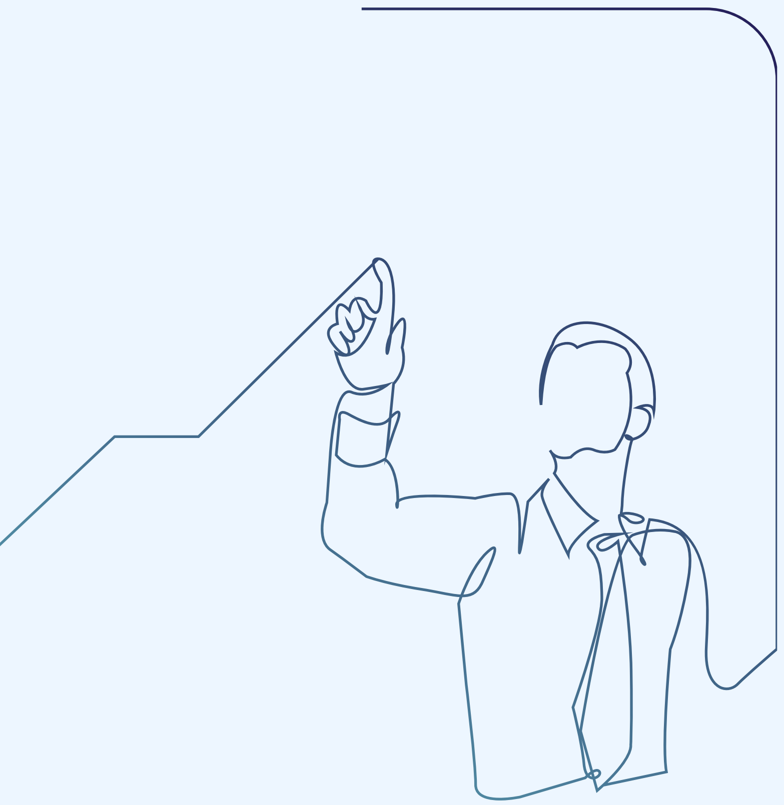
5
Global R&D centres

1,900+
Global Workforce

Key performance indicators

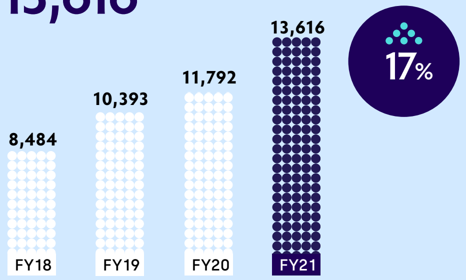
Powering AHEAD in an extraordinary year

FY21 was an exceptional year in living memory posing huge operational challenges. However, we never let those headwinds overwhelm us and continued to focus on business growth and sustainability. While there are multiple achievements across the business that we are extremely proud of, what stands out particularly is the fact that our business generated ₹1,500 million in cash from operations, enabling us to pare down debt, resulting in a two-notch improvement in our credit rating.



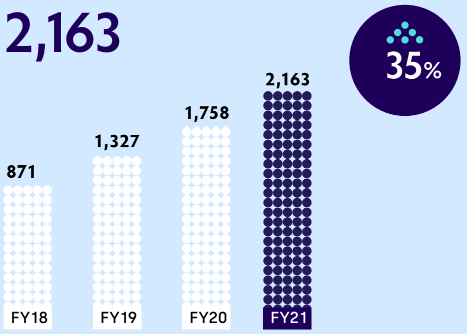
Revenue from operations
₹ in mn

13,616



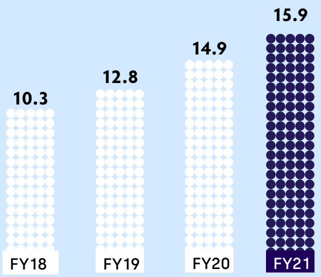
EBITDA
₹ in mn

2,163



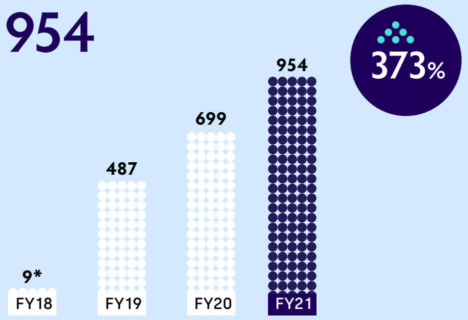
EBITDA margin
%

15.9



Profit after tax
₹ in mn

954

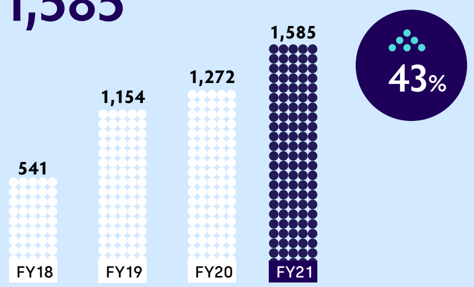


*Demerger of human business

4-year CAGR

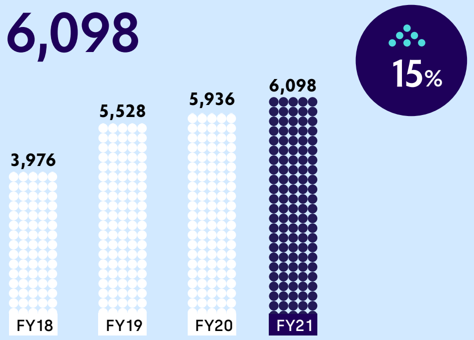
Cashflow from operations
₹ in mn

1,585



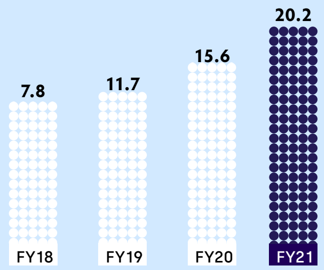
Gross Block + CWIP
₹ in mn

6,098



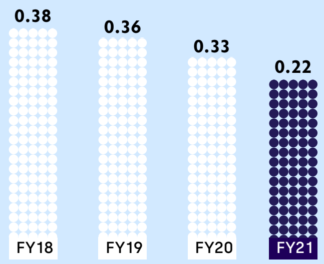
Return on capital employed
%

20.2%



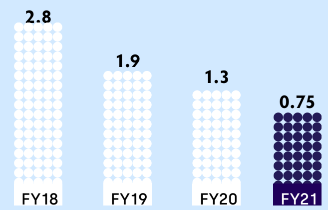
Net debt to equity

0.22

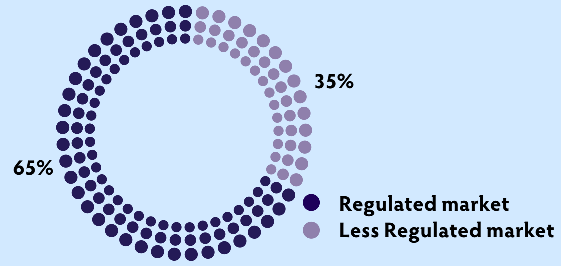


Net Debt to EBITDA

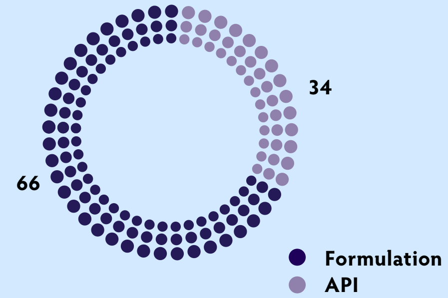
0.75



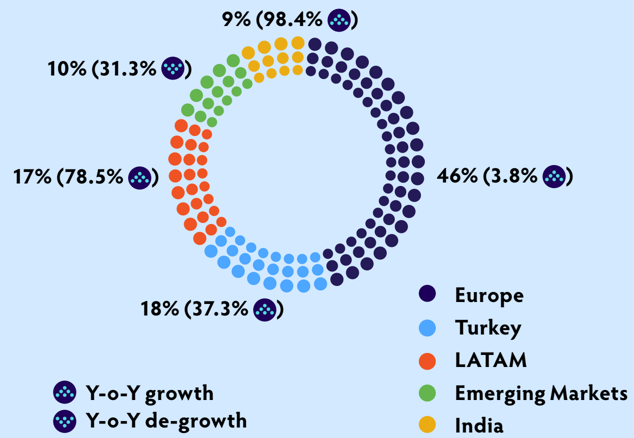
Revenue by markets
(%)



Revenue by business segment
(%)



Performance of Formulations business



Manufacturing presence

AHEAD in high-potential markets with strategic scale

Warburg, Germany

Capabilities: Beta-lactam and hormones

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

Approvals: EUGMP

Ankara, Turkey

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

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

Approvals: EUGMP

Mumbai, India

Capabilities: Sterile granules

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

Approvals: cGMP, India, Uganda, Ethiopia, Kenya

Campinas, Brazil

Dosage forms:
Powders and premixes

Approvals: MAPA

Tarapur, India

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

Approvals: cGMP

Mahad, India

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

Approvals: EUGMP, COFEPRIS Mexico

Vizag, India

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

Approvals: USFDA, EUGMP, WHO – Geneva

● **Formulation facilities**

● **API facilities**

R&D centres

Business review - Formulations

Identifying potential in high-impact markets to stay AHEAD

Over the last few years, we have successfully expanded our direct presence by strategically expanding in important global animal health markets of Europe, Brazil, and Turkey. Today, our formulations business contributes ~65% to our overall business.

Our market insights enable us to develop highly customised portfolio of strong, diversified products that address the requirements of multiple species in the animal pharma universe. Our portfolio includes products across various therapy classes such as antibiotics, anthelmintics, pain management and nutrition.

1,000+
Formulations

~65%
Sales to regulated markets

80+
Countries marketing presence

35+
Products under development

5
Manufacturing sites

4
R&D centres

Achievements of FY21

- Commercialised Tulathromycin, first India R&D developed product
- Launched Citramox LA, first long-acting injectable & Halofusol, in-house developed oral solution for European markets
- Operationalised multi-year, multi-product distribution arrangement with Zoetis for the Indian market
- Submitted first filings in US, Canada, and Australia
- Started upgradation of our facility in Bremer, Germany for US commercialisation

Future growth drivers

Europe
- **Geographical expansion:** Expand presence in key missing markets

Brazil
- **New segments:** Enhance market presence by entering companion animal segment

India
- **Zoetis portfolio:** Leverage Zoetis portfolio to provide a fillip to the domestic cattle business
- **Manufacturing capability:** Strategically build capability to manufacture granular products

Turkey
- **New segments:** Enhance market presence by entering companion animal segment
- **Manufacturing capacity:** Expanding beta-lactam and oral solids capacity
- **Vaccines:** Enter long-distribution partnerships

US
- **Facility upgradation:** Capability and capacity enhancement of our injectable facility in Bremer, Germany for US commercial entry


Our formulations facility at Evance, Brazil

Business review - API

AHEAD with high excellence benchmarks

Our ability to consistently deliver high-quality products on time has helped us emerge as a credible and reliable global supplier of Active Pharmaceutical Ingredients (APIs), offering supply security to our partners. We have emerged as a leading API supplier to global companies.

Our high standards of quality and service commitment have positioned us as a valuable partner for our customers, enabling them to retain and grow their market share. Our API capacities have a strong track record of regulatory compliance with over 70 successful audits as of date.

~2/3
Sales to regulated markets

23
US Filings

11
CEP Approvals

3
Manufacturing facilities

8+
Product pipeline

1
R&D centre

Achievements of FY21

- Commercialised 3 APIs and submitted 4 USVMF filings
- Completed the first phase of expansion at Vizag to meet the growing demand of global animal healthcare partners
- Initiated the second phase of expansion at Vizag
- Completed de-bottlenecking at Mahad to enhance Albendazole capacities
- Signed long-term arrangement with a major animal health company for CDMO and product supplies with co-investments at Vizag
- Initiated in house manufacturing of key starting materials (KSMs) for backward integration, to mitigate the impact of supply chain disruption and geopolitical challenges

API portfolio

Particulars	Commercialised	USVMF Filings	CEP Approvals
FY21 developments	3	4	1
Total Products	30	23	11

Future growth drivers

- **Expansion into CDMO/CMO segment:** To support the growing demand for CDMO/CMO, we are building a dedicated manufacturing block in Vizag for the upcoming opportunities.
- **Manufacturing capacity expansion:** Global animal health companies are focusing on diversify their supply sources which is resulting in ever-increasing demand for our APIs. To cater to this increased demand, we initiated the capacity expansion of our USFDA approved Vizag manufacturing facility.

Our API facility at Vizag, India

Research and development

AHEAD with a wide innovation spectrum

We must remain ahead of the curve in terms of understanding the emerging requirements of our customers and develop new products to retain and grow our market share across geographies.

Our five world-class R&D centres drive innovation by integrating the global requirements, clinical knowledge, and focusing on enhanced drug delivery mechanism to strengthen the ongoing product development.

Our formulations R&D centres in Mumbai and Barcelona cater to the requirements of US, EU, and other regulated markets, with satellite development centres located in Istanbul (Turkey) and Campinas (Brazil) supporting the development for local markets. Our API R&D centre at Vizag focusses primarily on developing new products, improving existing products and expanding product applications. We continue to develop our product portfolio on the strength of our technology and R&D expertise.

We are focused on continuing our investments in building capabilities that will propel us to be among the global animal health companies.

Research and Development Achievements

We launched Tulathromycin, our first formulation from Indian R&D facility. We also commercialised Halofusol® and Citramox LA in Europe. All the above-mentioned products were approved with 12 months of filing submission, which reflects SeQuent's growing strengths in introducing new products for the regulated markets.

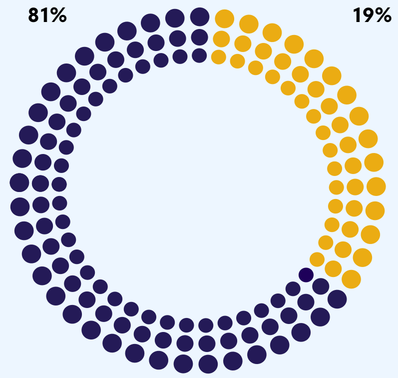
Our R&D laboratory at Mumbai, India

Formulations pipeline

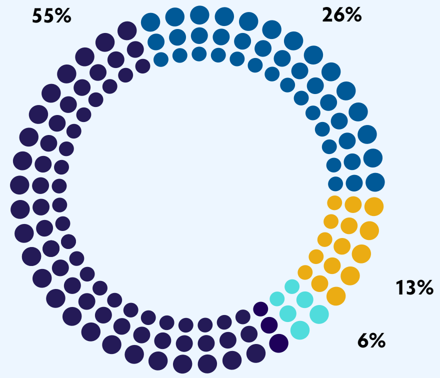
We are working on a pipeline of over 35+ products across multiple species, dosage forms and therapeutic segments.

Break-up of formulations pipeline

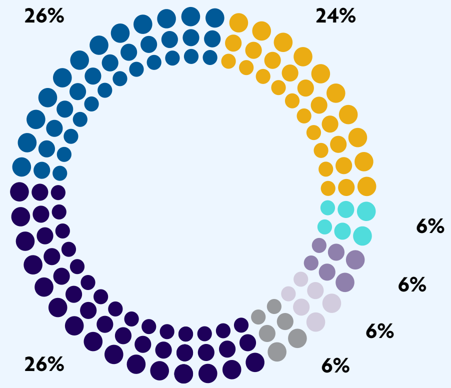
By species category



By dosage form

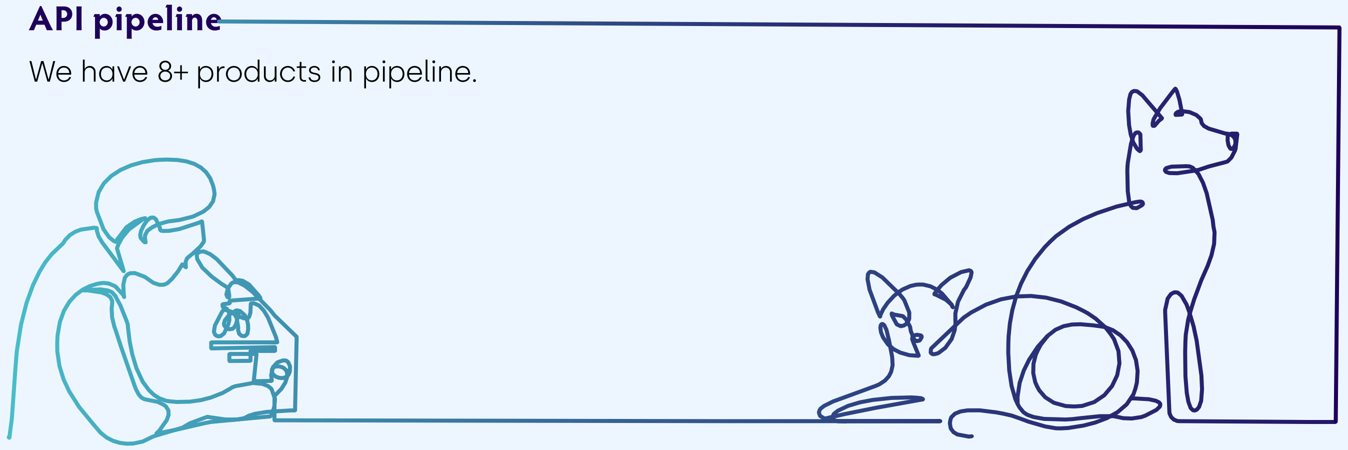


By therapy areas



API pipeline

We have 8+ products in pipeline.



Industry landscape

AHEAD with attractive dynamics

The global animal healthcare market is estimated at US$51 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 5% between 2021 and 2027 on account of rise in demand for protein, along with increase in the prevalence of food-borne and zoonotic diseases.

Opportunities across animal segments

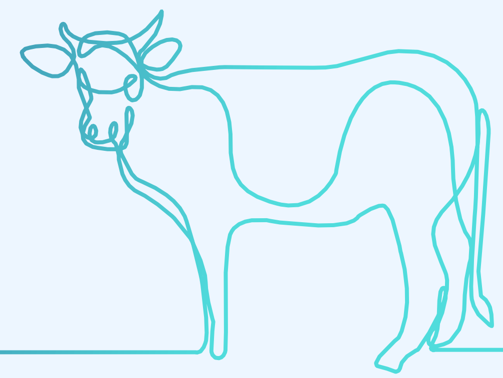
Production animal market segment was valued at US$32 billion in 2020 and is estimated to reach US$39 billion by 2027.

Production animals dominated the global market in 2020 with a revenue share of around 62%, compared to companion animals which has a market share of 38%.

Companion animal market segment was valued at US$19 billion in 2020 and is estimated to reach US$25 billion by 2027.

Animal healthcare landscape across key geographies

	Market size in 2020	
 North America	US$15 billion (+3.7% CAGR)	**Largest** Animal health market, globally
 Europe	US$14 billion (+4.8% CAGR)	**Second Largest** Animal health market, globally
 India	US$1 billion (+8.9% CAGR)	**~4%** Livestock contribution to India's GDP
 Latin America	US$5 billion (+5.5% CAGR)	**~11%** Share in global market
 Turkey	US$1 billion (+8.1% CAGR)	**~66%** Ruminant focused
 Emerging Markets	US$3 billion (+10.8% CAGR)	



Sequent 2.0

AHEAD with all hands on deck

We are building a global value leader in animal health to strengthen our stature as a high-quality and reliable generics supplier.

Our leadership team brings on board strong commercial experience and a successful execution track record. Our technical team has hands-on expertise of running facilities approved by major regulatory agencies. The R&D arm is geared up to help strengthen the ongoing product development programme and provide thought leadership to the industry.

API: Integrated, but separated

- Independent business unit with own portfolio and pipeline decisions
- Internal API supply for formulations portfolio with strategic advantage, value added products
- Value growth through:
  - Big-4 AH penetration, Pipeline (High value APIs), CDMO/ CMO business

Formulations: Growth from the core

- Deeper penetration in key strategic animal health markets of Europe, India, Turkey and Brazil
- Expansion into new geographies across USA, select EU and select South-East Asian markets
- Sharper focus on value-added and specialty products

Our API facility at Vizag, India

Our Formulations facility at Provet, Turkey

Our approach

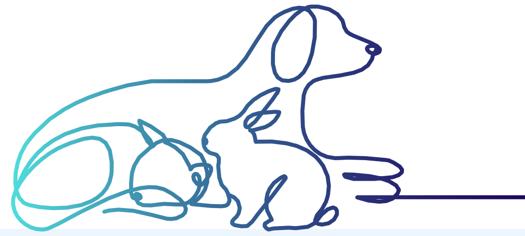
Portfolio
High quality, specialty generics

Commercial footprint
Selective presence

R&D
Complex generics

Key areas to invest
Differentiated generics

~₹2 Bn
Investments planned over 24 months



Significant capability build-up planned for execution

G Geographical Expansion N New Segments

Investments across key markets

Formulations

Germany
Enhanced Capacity
Sterile Injectables

Spain
Enhanced Capacity
Powders, Liquids, Feed Additives
Research & Development
Orals

India
Enhanced Capacity
Liquid filling line
New Capability
Granulation
Research & Development
Complex Injectables

Turkey
Enhanced Capacity
Beta Lactam & solid oral line

Brazil
Enhanced Capacity
Powder & Premixes

API

Capacity
Supply chain Security
De-risking & Backward Integration

New Capability
Dedicated CDMD plant

Research & Development
Complexity & Scale-up

CFO's commentary

AHEAD with fiscal prudence and outperformance

"We will continue to scale up our financial rigour with eyes on liquidity, leverage, and operational excellence to create consistent value for all our stakeholders."

Mr. Tushar Mistry
Chief Financial Officer

Dear Shareholders,

The past year has been a defining moment for Sequent, as we established the durability of our unique business model in the face of the COVID-19 pandemic, which has created an uncertain environment.

We substantially scaled up our business in FY21. We saw all round growth led by fresh launches, new distribution partnerships and increasing commercialisations. All this was managed despite considerable execution related issues by charting a Business Continuity Plan which decoupled operations from volatility across the value chain and gained supply chain stability.

This success was reflected in our financial performance. We recorded another successful year with a revenue increase of 15.5% to ₹13,616 million. Our operating EBITDA margins rose by 250 bps at 17.4%, in line with our stated guidance of margin increase. This stellar outperformance on guidance achieved by your Company despite the supply chain and logistics issues throughout the year arising from multiple waves of COVID-19, validates the strength of our differentiated business model and execution focus.

Our strategy of focusing on the higher margin formulations business over the past six years augured well for us. Formulations business recorded 16.3% growth outpacing API for the first time, led majorly by Brazil, India, and Turkey, while Europe also performed beyond expectations. We had a cautious approach in Emerging markets by focusing only on secured payment business and monitoring the situation to adapt ourselves to the ground realities. Our API business increased 14% on recent commercialisations, and we expect continued momentum on the back of the Vizag and Mahad capacity expansions.

Robust cash generated from operations of more than ₹1.50 billion not only illustrates a high EBITDA to cash conversion but also reinforces our emphasis on efficient working capital management, which has remained consistent despite expansion across geographies and our business segments. It also indicates that our debt servicing and a portion of our capital expenditures are paid through internal accruals. We made significant headway in our commitment to be debt-free. We prepaid all our rupee-denominated long-term debts and expect to achieve the said goal within the next two years, subject to any inorganic expansion. This healthy cash generation and debt prepayment resulted in a two-notch upgrade in our credit rating in FY21.

We consolidated our holdings in the Turkey, Belgium, and Netherland subsidiaries and will continue to pursue the same this year, too, across our remaining subsidiaries.

Our steady cash generated from operations has improved debt metrics wherein our net debt to EBITDA is at 0.75x (compared to 2.81x 3 years back). Our net debt to equity is now at 0.22x, after considering our treasury investment in Solara Active Pharma Sciences Limited stands at a marginal 0.12x. Further, our Return on Capital Employed (ROCE) increased by 2.6x over the past 3 years and is presently at 20.2%.

FY21 continued to be a year of significant volatility, a result of currency fluctuations across geographies. While we are naturally hedged in India, and gradual depreciation of the rupee only helps us, we are guided by the Board-approved hedging policy of keeping at least 30% of our net exposure covered at any given moment. All our global operations manage risk structurally by ensuring that all debts in respective countries are either in local currency or are naturally hedged with their cashflows, limiting the impact of uncertainty on the P&L. In Brazil and Turkey, we have limited exposure to USD denominated vendor liabilities. While we have established hedging lines for Brazil, we continue to explore possibilities of hedging our limited liabilities in Turkey.

Our effective tax rate was higher than previously anticipated due to delays in assessments in certain countries due to the COVID situation. Once the situation has stabilised, this should return to normal.

In terms of operations, we have now extended the SAP ERP systems to our Spanish operations. This ensures that the SAP system extends to 75% of our operations, and the balance of European operations will be integrated in FY22.

On cost control front, we hired PwC to assist us in strategising operations for efficiency and cost effectiveness.

We have traversed SeQuent 1.0 to be amongst the Top 20 animal health players globally and are now on track to foray into the next league. In line with this vision, we have envisaged opportunities through the strategic capture of larger markets and products. While we have an expansion plan in place, we are also mindful of the fact that the governance framework will need to be strengthened to commensurate with the growth of the organisation. We have, under the guidance of the esteemed board members and Carlyle Group, developed a futuristic governance framework.

The Carlyle Group's taking on the role as the promoter of SeQuent is a favourable corporate action, and the consequent Board reorganisation sets SeQuent apart as a very distinguishing corporate. The induction of industry experts has considerably strengthened our Board Committees.

We will continue to scale up our financial rigour with eyes on liquidity, leverage, and operational excellence to create consistent value for all our stakeholders.

Warm regards,
Tushar

Sustainability at SeQuent

Progressing AHEAD responsibly

As an ethical and responsible corporate citizen, safeguarding our ecosystem by nurturing and protecting biodiversity and thereby supporting the sustainable development of the community is a lifelong commitment for us at SeQuent.

We believe healthier and happier animals help in building a sustainable ecosystem on our planet. We undertook several initiatives towards fulfilling our goal of supporting our planet biodiversity along with sustainable development of the communities in areas of our operation.

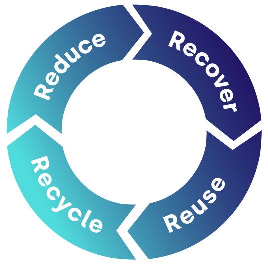
We design our facilities with an utmost focus on minimising the adverse ecological impact. Given the essential nature of our industry, despite the unpredictable, unforeseen, and fluctuating environment the world experienced, maintaining continuity of business operations with utmost safety became of paramount importance.

The unprecedented challenges around us magnified our responsibilities towards all the stakeholders, and we demonstrated our commitment by stepping up early enough to provide a safe working environment for all the stakeholders and taking care of the well-being of our employees.

Glimpse of our education and orientation programme

Environmental

Climate change is severely impacting the ecology and the future of our planet as a whole. At SeQuent, we understand the ramifications of climate change and we are working towards mitigating the impact of our manufacturing operations by adopting greener processes, cutting down waste, conserving water, and energy, along with ensuring judicious use of natural resources. Our prudent 4R strategy of Reduce, Recover, Reuse, and Recycle is aiding our objective of a greener tomorrow.



Waste management

We have implemented various solid waste reduction mechanisms through targeted programs to dispose of, reuse or recycle waste in a safe, ethical, and responsible manner.

204 tonnes
Of solid waste safely disposed

Water management

Water conservation is essential to maintain ecological balance. We are recycling 100% of the wastewater by adopting Zero Liquid Discharge technology and reusing it for other purposes. Sequent has also been making headways in reducing water consumption by adopting better technologies as well as improving manufacturing processes across our sites in India.

8.9%
Reduction in water consumption per kg of productivity

3261 Kl
Of water treated through ZLD system

100%
Utilisation of RO treated water as a make-up source for cooling tower

Energy conservation and alternate sources of energy

We are pursuing a growth strategy focused on contributing to the green planet through extensive initiatives across the value chain. These include increasing share of renewables energy, reusing waste generated as fuel, construction of self-sustaining green buildings, optimising the usage of the raw material and promoting healthy practices by the livestock industry.

24,758
Units of electricity saved

17.5%
Reduction in fossil fuel usage across Indian Sites

Installation of solar panels for water lifting

Sustainability at SeQuent (contd.)

Social

Employees

Our employees form the foundation of the organisation, and their well-being is of utmost importance to us. We follow best practices across our sites to take care of their health & safety and they are provided with ample growth opportunities in an equitable and fair environment. They are the most valuable asset of the organisation and their well being, health and safety are imperative for the organisation's growth. Our focus on adapting an Employee-First approach has helped us to attract, nurture, and retain talent.

Diversity and inclusion

India has one of the lowest female workforce participation amongst major economies. Diversity and inclusion are part of our DNA. Our policies provide equitable opportunities irrespective of gender, sexual orientation, disability, religion, age, race, and culture.

Employee training

We believe upskilling is an essential tool for our employees' growth. Over the years, we realised the importance of having a corrective feedback loop mechanism, which led to the creation of the Sampark program in which HR team members interact with employees on a rotational basis at manufacturing sites to understand their suggestions and incorporate them into the training programs.

Training dashboard (No. of hours)

Training category	No. of training hours
Technical	38,129
Behavioural	5,242
Statutory	11,004
Safety	5,134

SeQuent has vaccinated ~100% of its workforce with the first vaccine dose

Employee Health and Safety

The health and safety of our employees are an area of utmost priority. Our relentless focus on adhering to and adopting best practices across the manufacturing sites and corporate offices is driven by our commitment to ensure employee safety while delivering a quality product. We have covered our employees with comprehensive group health and term insurances, support employees for services such as mental health counselling, regular medical check-ups, onsite doctors at manufacturing sites, etc. Employees at plants have biannual medical check-ups along with dedicated health centres supported by the round-the-clock availability of a dedicated doctor for medical emergencies.

The global pandemic amplified our responsibilities and expectations towards stakeholders and more specifically towards our employees across the organisation. Following are some of the additional measures undertaken to safeguard our employees:

Corporate	Dedicated co-ordination and support from HQ for medical concerns of employees Ensuring smooth switch to remote working with rapid adoption and implementation of new technologies
Insurance	Medical insurance coverage doubled across the board for all employees and their dependents In case of an unfortunate loss of life of any employee, financial support package of up to 8 years of salary
Field Force Safety	Physical field visits replaced with digital sales and marketing initiatives Safety kits and continuous health trainings provided to all team members
Safe Workplace	Regular disinfection and sanitisation across all company premises Staggered workforce schedules and timings to ensure social distancing at work
Health Monitoring	Daily screening of body temperature & oxygen levels for all employees Hand sanitiser dispensing machines installed at multiple points across all work locations
Emergency Support	Health centres setup at all the manufacturing sites Oxygen concentrators made available for emergency requirements across all locations

Community

We are driven by our objective 'To improve the quality of life of our communities we serve through long term value creation for all stakeholders' in the areas of Education, Environment, Sanitation & Health, is aligned with the Company's Core Values.

Education and employability

To educate and promote the livelihood of youth belonging to the less fortunate sections of the society, we have been working with various local organisations in conducting Skill Development Programs for high school graduates in the community around our areas of operations. The programs focus on a combination of theory, practical, behavioural, and IT skill training.

Our initiatives for skill development of rural youth

Rural development

To contribute towards uplifting the rural communities, we have been working towards promoting and supporting energy initiatives in areas of power & water generation, such as solar lights, lift irrigation & water filtration in the communities around us. These initiatives touched the lives of 65 families & helped them overcome their daily struggle for necessities, allowing them to focus on improving their livelihoods.

Water tank installation to facilitate steady supply

Responsible sourcing

We are committed to incorporating environment-friendly procedures, not only in our operations but also in our supply chain management. We follow a sustainable sourcing policy with well-established standard operating procedures for identifying and approving vendors. The Company conducts periodic audits and due diligence of all our vendors.

As part of our focus on judicious energy usage, we encourage our vendors to set up their operations near the manufacturing sites, which helps in reducing the indirect carbon footprint of the Company along with supporting the development of local communities.

Governance

Over the years, the company has established trust with its stakeholders by adhering to compliant and ethical business practices. Integrity has been one of the core values at SeQuent which has led to the culture of timely, accurate, and complete disclosures of relevant information that has enabled us to gain the trust of our stakeholders and ensure the business is conducted ethically.

The Company has put in place a robust governance framework and adopted policies such as Code of Conduct, Code of Ethics, Disclosure of Material Events, Data Integrity, Whistle Blower Policy, Anti-Corruption Policy, Anti-Money Laundering, Counter-Terrorist Financing Compliance Policy, and Economic Sanctions Compliance Policy to conform to the highest governance, compliance, and ethical standards. Adequate measures have been taken to educate employees and management on Company's expectations on ethical conduct. Board committees such as Ethics & Governance Committee, POSH Committee, etc. have been constituted to ensure effective implementation of the mentioned policies.

Board structure, skills, and experience

Currently, we have nine luminaries on our board with strong commercial experience and a successful execution track record of managing businesses globally.

Quality products and animal safety

Product Quality

Amidst the ever-changing landscape, the one thing that continues to remain constant for us is our steadfast commitment to sustainable development. We are committed to developing products that meet internationally accepted safety standards. Our R&D team has initiated several programs based on sustainable design philosophy, starting from raw material selection to formulation development and manufacturing that goes beyond the required safety standards in ensuring the best product quality. Regular internal audit programs validate our attempts to deliver quality with consistency. Some certifications that are testimony to our quality standards are approvals from global regulatory authorities like USFDA, EUGMP, TGA, Health Canada, amongst others.

- 70+ successful customer audits
- USFDA, EDGMP, WHO approvals for manufacturing sites
- EHS compliance with 15+ audits

We engage with our customers regularly to collect their feedback, which helps us in improving existing products, strengthening processes, and adopting newer techniques as we continue to introduce new products.

Animal Health

Our core business is interlinked with improving our ecosystem as we sell products to protect and nurture animal health across the world. We strive to contribute to improved animal health by:

- Delivering products that are of the highest quality
- Maintaining industry standards & processes to ensure quality, safety, and efficacy of products
- Keeping an open feedback loop mechanism with customers
- Ensuring a consistent supply of our products

Board of Directors

Dr. Kamal K Sharma
Chairman & 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 Ph.D. in Economics from IIT, Mumbai. He also attended Advanced Management Program (AMP) at Harvard Business School, Boston.

Mr. Milind Sarwate
Independent Director

Founder & CEO of Increate Value Advisors LLP. Advisor, Mentor, Independent Director, & Social Contributor.
He provides advice & mentorship in business & 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 is on 4 listed Company boards - Mahindra Finance, Metropolis, SeQuent & Matrimony.com, and 5 unlisted Company boards- Hexaware, FSN e-Commerce (Nykaa), OmniActive, Eternis & WheelsEMI. 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. He has been awarded ICAI CFO Award, CNBC TV-18 CFO Award, & 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.

Dr. Fabian Kausche
Non-Executive Director

Chairman of the Board of PetMedix, Cambridge. He also owns & 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 more than 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 & France. Previously held executive positions with three major animal health companies.
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.
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. Currently, he serves on the Boards of Global Health Private Limited, VXI Global Solutions, and Delhivery Logistics. 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.

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 Bachelor's degree in Computer Engineering from VJTI, Mumbai.

Mr. Manish Gupta
Managing Director

Mr. Gupta joined the Company as Chief Executive Officer. He has over 23 years of experience in leading and managing businesses across the US, Europe, and India to enhance performance. He has been instrumental in the transformation of Sequent Scientific, leading the Company to emerge as the largest animal health company out of India. Before joining SeQuent Scientific, he was the CEO of Strides Pharma Science Ltd, where he spearheaded their pharma operations.

Mr. Sharat Narasapur
Joint Managing Director

Mr. Narasapur has over 30 years of experience in the chemical, agrochemical, and pharmaceutical industries. He has worked in executive positions in several companies including Dr. Reddy's, Aurobindo Pharma, and holds a degree in Chemical Engineering from the Institute of Chemical Technology, Mumbai. He leads multiple areas within the techno-commercial operations involving management of large multi-location chemicals and API manufacturing operations, R&D, Regulatory and supply chain functions for the group.

COMMITTEES OF THE BOARD OF SEQUENT SCIENTIFIC LIMITED

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

Leadership team

Mr. Manish Gupta
Managing Director

Joined: 2014
Experience: 25+ years
Capabilities: Leading and managing businesses across US, Europe and India

Mr. Sharat Narasapur
Technical Operations

Joined: 2015
Experience: 25+ years
Capabilities: Expertise in techno-commercial operations involving multilocation manufacturing and global R&D programme

Mr. Tushar Mistry
Chief Financial Officer

Joined: 2014
Experience: 20+ years
Capabilities: Chartered accountant with extensive experience in various domains of Finance

Mr. Prasad Lad
HR

Joined: 2014
Experience: 25+ years
Capabilities: Leading the HR/People function for Sequent group in India. Has multi-industry experience and played a leading role in the organisation transformation

Mr. Ashish Kakabalia
BD and R&D

Joined: 2015
Experience: 20+ years
Capabilities: Strategic and business planning, R&D, portfolio management, M&A, licencing and new business initiatives

Mr. Ramon Vila
Europe

Joined: 2016
Experience: 20+ years
Capabilities: Running own veterinary business, Karizoo. expertise in managing business, development and registrations of veterinary products in Europe

Mr. Sirjiwan Singh
Technical Operations

Joined: 2019
Experience: 40+ years
Capabilities: Running large injectable business in UK for 15+ years as MD. Strong skills in business management and technical operations, especially injectables

Mr. Alan Kelly
United States

Joined: 2019
Experience: 30+ years
Capabilities: Over 30 years of experience in Animal Health. Before joining Alivira, he lead the sales and marketing teams through rapid growth and becoming one of the leading generic companies in North America

Mr. Jose Nunes Filho
LATAM

Joined: 2016
Experience: 40+ years
Capabilities: Highly respected business executive with experience of establishing and managing animal health businesses in Brazil

Mr. Alexis Goux
Formulations

Joined: 2021
Experience: 20+ years
Capabilities: Lead animal health businesses in multiple geographies including Europe, Latin America and Southeast Asia

Mr. Murat Mentes
Turkey

Joined: 2020
Experience: 30+ years
Capabilities: Specialist in M&A, business strategy and execution with 8 years in animal health industry

Mr. Yawar Abbas
Emerging Markets

Joined: 2018
Experience: 25+ years Successfully established the EM business for European veterinary companies. Specialising in global branding, sales, marketing and key account management expertise

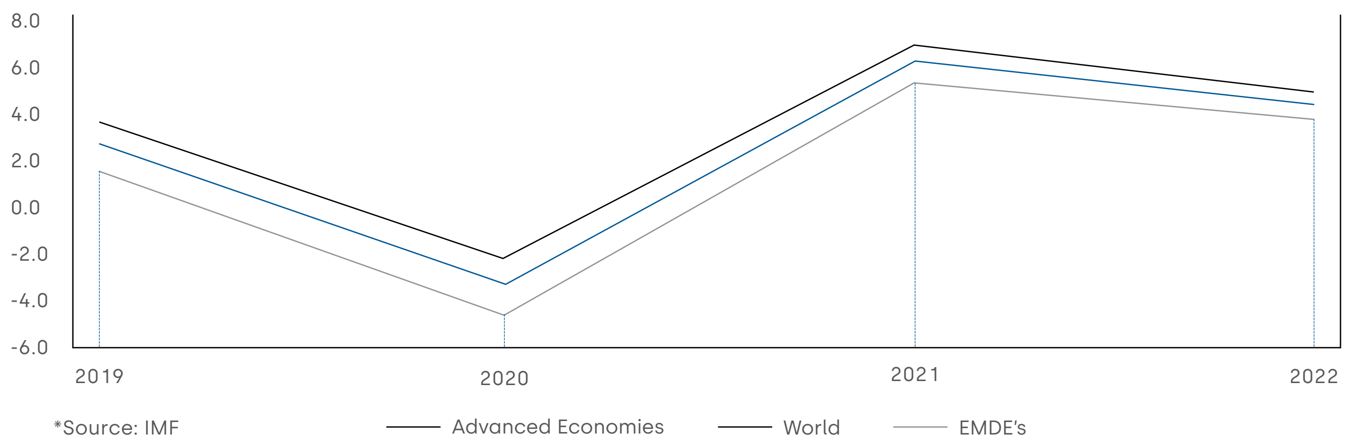
Management Discussion and Analysis

Macro-Economic Scenario

The world faced unprecedent challenges in the year gone by due to COVID-19 which resulted in implementation of never seen before lockdowns across the globe to slow down the spread tremendously impacting the economic progress of several countries.

The global economy went into recession in CY20 with a negative growth rate of 3.5%*. However, rapid pace of vaccinations in developed countries allowed the IMF to revise GDP forecast to a growth of 6%* in CY21 and 4.4%* in CY22 in case no new virus strains emerge. However challenges due to Covid still remain which led to reimposition of lockdowns in some of the countries. Global central banks played a major role in supporting the economies by means of easy monetary policies, and the same is expected to continue in CY21 to facilitate faster recovery amidst uncertainty. Also, the fiscal policies announced by authorities in advanced economies are expected to provide support to the global economy. We now have access to vaccines that are helpful in reducing the seriousness and incidence of infections. The economic recovery rate is expected to vary depending on an economy's reliance on the front-line facing businesses like tourism, access to health care, and the effectiveness of government social and economic policy support.

Forecast of GDP estimates for 2021 and 2022*



The U.S. economy is expected to grow at 6.4% on the back of additional policy measures announced in 2020. Expansion of telehealth services in rural areas, a US$ 2 billion contract with pharmaceutical firms to supply 100 million doses of vaccines, and extension of unemployment insurance were among the steps taken by the U.S. government. In January 2021, the Government announced next round of measures which includes allocating US$ 284 billion to first-time borrowers in the low-income and underserved group in January 2021 and a further US$ 1,844 billion in March 2021 for families and businesses. A total of US$ 200 million was also set aside for the discovery of new virus variants*.

*Source: Ballotpedia.org ; #usafacts.org

The E.U. economic activity softened and is expected to remain below 2019 levels due to the re-emergence of new COVID-19 cases. ECB took several initiatives to mitigate the social and economic challenges arising out of this crisis. E.U. leaders set up a recovery fund of US$ 890 billion for grants to be given from 2021 to 2023. ECB took steps to provide stability in financial markets, along with reducing the borrowing rate and safeguarding credit supply.

China was the first country to roll out large-scale vaccine programs and is expected to cover 70% of its population by 2021 end. The government also made massive infrastructure investments, making it the only major country to record a positive GDP growth rate of 2.3% in 2020.

Animal Healthcare

On a broader level, the animal healthcare sector is categorised into three segments – pharmaceuticals, veterinary services, and medical devices. The industry caters to the needs of both farm animals including cattle, pigs, poultry, sheep, and companion animals such as cats, dogs, and horses.

Opportunities

The global animal healthcare market is estimated at US$ 51 billion in 2020 and is forecasted to grow at a CAGR of 5% between 2021 and 2027. Substantial rise in demand for protein along with increase in prevalence of food-borne and zoonotic diseases globally are expected to drive the growth of this industry, promoting companies to undertake consistent efforts with an aim of controlling pathogen contamination risks by producing quality pharmaceutical products including vaccines.

To overcome this, 25 Global and 6 Indian initiatives supported by collaboration strategies have been undertaken for disease prevention, under One Health. One Health, an initiative established by Centers for Disease Control and Prevention (CDC), recognises that health of animals, humans, and ecosystems are interconnected. Hence, to achieve common public health goals, One Health encourages collaboration among countries across the globe. Therefore, increasing number of government initiatives to support animal healthcare and growing awareness among animal farmers and pet parents are expected to drive the demand for animal healthcare products in the years to come.

Production Animals

Production animal (An animal that provides output of sale other than its progeny) segment was valued at US$ 32 billion in 2020 and is estimated to reach US$ 39 billion by 2027, driven by increasing consumption of milk, meat, and other animal byproducts.

The segment dominated the global animal health market in 2020 with a revenue share of ~62% led by increasing food safety concerns of both 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 has contributed to rising inclination towards pet ownership. Moreover, factors like increased urbanisation, nuclear families, families with fewer or no children are creating a need for social support. With rising companion animal ownership, owners are becoming aware of pet nutrition and health which promotes them to routinely seek veterinary services.

Trends in Animal Healthcare

Future of animal healthcare industry is likely to be impacted by the following factors:

1. **Increased emphasis on animal nutrition:** Companies in the animal healthcare industry are divided into two segments – one that produces pet food to keep the companion animals healthy while the other makes therapeutic products along with complete range of animal feed products for the farm animals.

   Growing pet ownership coupled with treating pets as a family member has contributed to the rising demand for quality healthcare of the companion animals. To cater to the ever-increasing human population, the animal husbandry segment is witnessing the highest ever demand for it's products which in turn is driving the growth of production animal healthcare segment.

2. **Growing Digitisation:** The online sale of animal healthcare products is expected to grow at a CAGR of 4.8% till 2027. Rising internet penetration, customer convenience and inclination towards the discounted medicines prices will be among the growth drivers for the digital segment.

3. **Increasing pet adoption:** Despite the pet adoption rate being stable in developed countries, it has been exploding in the developing countries driven by factors such as rising disposable income among middle-income households coupled with 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 which contain healthy and wholesome ingredients that provide proper nutrients to their loved ones.

About SeQuent Scientific Limited

Over the last few years, we have emerged as India's largest global animal health company with presence in 100+ countries. Our eight manufacturing facilities based in 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 formulations, Active Pharmaceutical Ingredients (API), and provide analytical services to the pharmaceutical and life sciences industry.

Business performance review

Active Pharmaceutical Ingredient (API)

Key Highlights

Particulars	FY 21 Developments	Total Products
Commercialised	3	30
USVMF Filing	4	23
CEP Approval	1	11

Categories	Initiatives
Partnerships	CDMO project initiated with a leading AH company
Supply Chain Security	Focus on indigenous development of key KSMs

API Growth Drivers

a. **Vizag expansion:** The project was initiated to meet the estimated FY22 demand. We estimate to invest around ₹760 million over the next 24 months. We completed the first phase of expansion and the capacity is now onstream.

b. **De-bottlenecking at Mahad:** We completed the de-bottlenecking project at Mahad plant which enhanced our Albendazole capacities. We believe this will enable us to serve the increased demand of our customers.

c. **Deepening relationship with global top 10 players:** In FY21, over a third of our sales came from the global top 10 animal health companies, and two third of our sales were to regulated markets. We continue to strategically engage with top animal health companies as part of our long-term strategy.

Formulations

Key Highlights

a. **New launches:**
Halofusol – In FY21, we launched Halofusol, our in-house developed oral solution for European countries. The product was developed at our R&D facility in Barcelona, Spain and will be manufactured at our Spanish facility.

Citramox LA – In FY21, we also launched of Citramox LA for cattle and pigs in multiple European countries. It was the first generic version of Vetrimoxin LA to be approved and commercialised in Europe. Citramox will be our first long-acting injectable to be launched in Europe.

b. **Multi-year agreement with Zoetis:** We signed a multi-year distribution agreement with Zoetis for their ruminant portfolio in India. The distribution of the products started in Q2 FY21. The portfolio consists of 13 brands covering the therapeutic areas of antibiotics, parasiticides, hormones, and vaccines.

Formulation Growth Drivers

a. **Entry into U.S. market:** We have already made our first filing in the US. However, the first commercialisation will be delayed in comparison to our initial plan as we believe that the FDA may not visit for the next 12 months to 18 months.

b. **Expanding our reach:** We completed integration of Zoetis portfolio into our offering along with starting operations in two southern states which will enable us to expand our India business.

c. **Bremer expansion:** We started capability and capacity expansion of our injectable facility in Bremer, Germany which was deferred due to lockdown challenges in Europe.

Analytical Services

SeQuent Research Limited, our wholly-owned subsidiary is a prominent Contract Research Organisation focusing on Analytical and Development Services. Our USFDA approved analytical service centre is in Mangalore. With ~70 scientists, we have robust capability in instrumental analysis, wet laboratory research, trace element analysis, and a Laboratory Information Management System (LIMS) which complies with the 21 Code of Federal Regulations.

Our focus markets and opportunities

We are addressing global animal health challenges to ensure food security for the world's ever-increasing population with a focus on becoming a value leader in our sector. We clearly see immense opportunities to expand our presence in markets where we have an established front-end setup.

INDIA

Market statistics

- Indian animal health is estimated at US$1 billion and is expected to grow at a CAGR of +8.9%
- Livestock contributes ~ 4% to India's GDP, making it a crucial farm activity for the large rural population

Our presence today

Over the years, SeQuent expanded presence in the ruminants & poulty segment. The business was impacted at the start of FY21 due to the first wave but started getting traction from Q2FY21. In particular, our formulations portfolio, accelerated growth in FY21 & grew by 98.4% on a YoY basis from ₹391 million to ₹776 million in FY21. This increase in revenues allowed us to gain market share.

Growth drivers

Leveraging the Zoetis portfolio to extent the reach of our products
- The portfolio has brands that have a strong brand value and are expected to complement our portfolio, giving our India business a further fillip in the medium term

Increased market penetration
- We started field force operations in Karnataka and Kerala to expand presence in the domestic market

Companion animal
- We supplemented our existing business with a new business vertical focused on companion animals and expect it to be our next growth driver

EUROPE

Market statistics

- Second largest animal health market and is expected to grow at a CAGR of 4.8%
- The growth is expected to be driven by high disposable income, an increasing number of companion animals, and the need for efficient animal husbandry practices to meet the demand for meat protein

Our presence today

- E.U. recorded a steady growth of 3.8% on back of strong business performance in the Benelux region. The growth was also attributable to new products launches, including Thulathromycin, Citramox LA, Halofusol
- We consolidated our holdings in Fendigo SA & Fendigo BV which have their operations in Belgium & Netherlands respectively during the year, thereby making it a wholly-owned subsidiary

Growth drivers

- We have started up-gradation of our German facility which will enable us to service the growing European demand along with US commercialisation
- Our consolidation of Fendigo in FY21 are expected to augment our revenue from regulated markets
- We implemented SAP in our Spanish facility and will extend to other facilities in FY22 with an aim of streamlining our operations.

TURKEY

Market statistics

- Turkey had approximately 17 million cattle, 42 million sheep, and 11 million goats in 2020

Our presence today

- SeQuent is the third largest animal pharma company and the largest local animal healthcare manufacturer
- We have our manufacturing plant in Ankara which comprises of multiple manufacturing lines of various dosage forms, including injectables, oral solutions, aerosols, catering to the ruminant segment. We also launched multiple products during the year allowing us to gain market share
- During the year, we acquired the balance 40% stake in Provet, making it a wholly-owned subsidiary

Growth drivers

- We expect consolidation of our Turkish subsidiary will enable us to have greater focus on the Turkish market
- We received EUGMP approval for the tablets manufacturing line which will allow us to further expand the range of products currently being marketed in the regulated market

LATIN AMERICA

Market statistics

- As of 2020, Latin America accounted for an 11% share of the global animal healthcare market and is expected to grow at a CAGR of 5.5% by 2025.

Our presence today

- We have direct presence in Brazil and Mexico.
- Our Brazilian facility primarily manufactures oral dosages. Our growth was supported by new launches and market share gain in several product categories during the year.
- We also bought out licenses of certain key products to fill the gaps in our portfolio.

Growth drivers

- Continue acquisition of licenses in the near term
- Entry into the companion segment

EMERGING MARKETS

Our presence today

- We market our products in several Emerging Markets. However in FY21, we adopted a conservative approach in some emerging markets due to stagnant collections, the uncertain impact of lockdowns, and local currency fluctuations against the U.S. dollar. We expect Emerging Markets to return to the pre - pandemic growth in FY22.

Strategic initiatives and performance in F.Y. 2020-21

F.Y. 2020-21 has been an eventful year in more ways than one in terms of change of control with onboarding of Carlyle, engaging experts to reorient strategic plan & identifying areas to focus on operational efficiencies.

We delivered our revenue and margin guidance of high-teen growth and 200 bps margin expansion during the year with revenue growth of 15.5% and EBITDA margin expansion of 250 bps.

Formulations was the backbone of this strong growth, delivering revenue growth of 16.3% in FY 21 to ₹9,055 million as compared to ₹7,789 million in FY 20 led by growth in the key markets of LATAM, Turkey and India.

As part of our focus on strengthening our engagement with top global animal health companies, the API revenues grew by 13.9% to ₹4,561 million in FY 21 as against ₹4,004 million in FY 20.

We consolidated our minority holdings in Provet (Turkey) and Fendigo (Benelux) which reflects our confidence in the growth potential of these businesses. We sold our treasury holding in Strides Pharma Science Limited to fund the acquisition of minority holding in Turkey and for our debt repayment.

Over the past few years, our focus was on expanding presence in key animal health markets along with achieving operational efficiencies. Hence, we believe what we've achieved in Sequent 1.0 isn't easy to replicate. We now begin our journey ahead of SeQuent 2.0 with purpose and confidence. We see SeQuent 2.0 to be no different from 1.0, except that it comes with a bolder vision backed by a strategic global investor, valuable commercial and technical experience of a well-diversified board. Going forward, we se SeQuent 2.0 to be bigger, bolder, more ambitious.

Moreover, our relentless focus on improving financial performance and reducing debt led to India Ratings upgrading the long-term credit rating from IND A- (Stable) to IND A+ (Positive). Our strong business model coupled with a diversified revenue mix is what made this possible.

Also, we reduced our net debt significantly in the fiscal. This is expected to substantially reduce our finance cost going forward. A robust cash flow generation, which we believe our strong business verticals will sustain, should make the company net debt-free within next 2 years.

We hired Stonehaven Consulting, a niche animal health consulting firm, to help us finalise a blueprint for the Sequent 2.0 journey. We believe that inputs from Stonehaven will put us on an aspirational path of being among the top 10 global animal health companies. Also, our engagement with PwC is targeted to drive operational excellence, for manufacturing plants of Spain and India.

Alivira was awarded the best Company in Animal Health from India, Middle East, and Africa Region for the second consecutive year by IHS Markit Animal Health. Moreover, within the sixth year of our business, not only are we the largest from India but also amongst the 'Top 20 animal healthcare players across the globe'.

All the successes have happened despite the company going through a ownership change and the headwinds due to COVID-19. This clearly demonstrates the strength of our business model.

Business Outlook

The seamless transition to the Carlyle Group as the new promoter, engagement with Stonehaven to finalise our growth strategy and hiring of PwC to rationalise cost will together pave the way for SeQuent 2.0.

Business Resources

We globally operate eight world-class manufacturing facilities.

Following is a list of our facilities:

Business vertical	Location	Key features
Animal Health API's	India	Approvals: USFDA, WHO-Geneva and EU GMP Capabilities: API facility with reactor capacity of 270 KL with seven clean rooms
	India	Approvals: EU GMP, COFEPRIS Mexico and WHO Capabilities: 23 reactors having a cumulative capacity of 76KL
API Intermediates	India	Approvals: cGMP Capabilities: API intermediates 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 and non-beta lactam injectable solutions/ suspensions, intra-mammaries, oral solutions/ suspensions, aerosol and pour- on
	Brazil	Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Oral solutions, oral powders and drug premixes
	India	Approvals: India, Uganda, Ethiopia and Kenya Capabilities: Granules for injections and oral liquids

Research and development (R&D)

Keeping in mind our focus on regulated market, we have substantially enhanced our R&D capabilities with focus on regulated market commercialisations. Led by the strong R&D team, we have built a comprehensive portfolio of API and formulations.

In formulations, we are working on a pipeline of over 35+ products with a focus on the regulated markets.

In API, we have 23 USVMF filings and 11 CEP approvals in Europe, along with 8+ products in the pipeline.

Employees

We believe that our 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 continue to be our priority going forward.

Employee Stock Option Plan (ESOP)

With an aim to align the interest of leadership team to the long-term goals of the Company and Shareholders and enhance our ability to attract and retain new global talent, we introduced the new ESOP scheme. The scheme is spread over 7 years to ensure employees' stickiness. The ESOPs has 3 classes based on performance criteria namely retention/ continuity, share-holder outcome and Individual targets. The initial grant is at ₹86/- per share, i.e. the price paid by Carlyle to acquire controlling interest in SeQuent. Maximum options that can be granted under the ESOP scheme is 18.5 million stock options each convertible into 1 equity share of ₹2/-, constituting 6.93% of the fully diluted share capital.

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.

On account of the above mentioned ESOP scheme coming in force during the FY 2021, the Company has discontinued issuance of ESOPs under the earlier ESOP scheme, namely SeQuent Scientific Employee Stock Option Scheme 2010.

Governance

Policy on Prevention of Sexual Harassment

We are committed to promoting a healthy working environment free from discrimination, harassment and intimidation. Therefore, we have established a Sexual Harassment Prevention Committee (SHPC) for every location, that will hold a meeting within five days of the receipt of the complaint in a confidential manner.

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 curbing and reporting any improper or unethical behavior/ 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 firing and other discriminatory employment practises.

The Company affirms that in FY21, it has not denied any personnel access to the Whistle Blower Mechanism.

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.

Global presence and marketing

In several key animal health markets, like Europe and Turkey, we have strategically build local sales force of technical experts and veterinarians. Over the years, we expanded the reach of our portfolio to 80+ countries through a judicious mix of direct sales presence and distributor. The said distribution channels enable us to effectively serve our customers where we don't have on-ground presence.

Threats, Risks and concerns

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

Risk and its Definition	Risk Mitigation
Regulatory risk: An adverse facility inspection by any regulatory body may cause restriction in sales to certain customers or respective geographies.	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 Group's manufacturing activities involve sophisticated chemical reactions, there are risks associated with operational safety and environmental compliance.	The Group'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 Group focuses on optimally using its resources and continually update its processes to reduce the environmental effect of its operations, products, and services.
Currency volatility 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 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 Group'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 Group'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.	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 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 targets adequate leverage ratios to ensure low liquidity risk.
Information Technology & Cyber Security Risk: For its global operations, the Group is heavily reliant on IT systems.	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 risk: 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.	The Board evaluates the Group's investments from a long-term strategic viewpoint, while the Group monitors geopolitical risk on a continuous basis.

Financial Review

Consolidated Balance Sheet for the year ended March 31, 2021

(In ₹ Million)

Particulars	F.Y. 2020-21	F.Y. 2019-20	Movement
Assets			
1. Non-current assets			
a) Property, plant and equipment	3,190.73	3,449.07	(258.34)
b) Capital work-in-progress	287.83	110.65	177.18
c) Goodwill	1,742.01	1,823.18	(81.17
d) Other intangible assets	433.39	493.45	(60.06
e) Intangible assets under development	10.52	23.59	(13.07
f) Financial assets			
i. Investments	769.39	1,312.88	(543.49)
ii. Other financial assets	48.94	68.03	(19.09)
g) Deferred tax assets (net)	205.07	232.40	(27.33)
h) Income tax assets (net)	91.76	56.81	34.95
i) Other non-current assets	10.10	15.03	(4.93)
Total non-current assets	**6,789.74**	**7,585.09**	**(795.35)**
2. Current assets			
a) Inventories	2,643.57	2,194.17	449.4
b) Financial assets			
i. Investments	56.55	401.79	(345.24)
ii. Trade receivables	3,461.37	3,187.64	273.73
iii. Cash and cash equivalents	537.44	680.96	(143.52)
iv. Bank balances other than (iii) above	24.52	77.29	(52.77)
v. Loans	1.90	3.48	(1.58)
vi. Other financial assets	107.63	101.53	6.10
c) Income tax assets (net)	4.53	7.27	(2.74
d) Other current assets	298.34	387.24	(88.90)
Total current assets	**7,135.85**	**7,041.37**	**94.48**
Total Assets	**13,925.59**	**14,626.46**	**(700.87)**
EQUITY AND LIABILITIES			
I. Equity			
a) Equity share capital	496.74	496.74	-
b) Other Equity	6,779.77	6,374.30	405.47
Equity attributable to owners of the Company	**7,276.51**	**6,871.04**	**405.47**
c) Non-controlling interest	486.65	447.37	39.28
Total equity	**7,763.16**	**7,318.41**	**444.75**
II. Liabilities			
1. Non-current liabilities			
a) liabilities Financial			
i. Borrowings	937.06	1,500.59	(563.53)
ii. Other financial liabilities	453.97	668.43	(214.46)
b) Provisions	84.37	95.69	(11.32)
c) Deferred tax liabilities (net)	69.30	83.22	(13.92)
d) Other non-current liabilities	8.69	13.13	(4.44)
Total non-current liabilities	**1,553.39**	**2,361.06**	**(807.67)**
2. Current liabilities			
a) Financial liabilities			
i. Borrowings	1,029.05	1,471.21	(442.16)
ii. Trade payables	2,295.64	2,203.80	91.84
iii. Other financial liabilities	823.36	881.40	(58.04)
b) Provisions	51.45	25.49	25.96
c) Current tax liabilities (net)	226.55	196.65	29.90
d) Other current liabilities	182.99	168.44	14.55
Total current liabilities	**4,609.04**	**4,946.99**	**(337.95)**
Total liabilities	**6,162.43**	**7,308.05**	**(1,145.62)**
Total Equity and Liabilities	**13,925.59**	**14,626.46**	**(700.87)**

Non-current assets

Property, plant and equipment (PPE)

PPE decreased from ₹3,449.07 million in F.Y. 2019-20 to ₹3,190.73 million in F.Y. 2020-21 mainly due to depreciation during the year.

Capital work in progress (CWIP)

The CWIP increased from ₹110.65 million in F.Y. 2019-20 to ₹287.83 million in F.Y. 2020-21 mainly due to capex spent on India operations.

Goodwill

Goodwill decreased from ₹1,823.18 million in F.Y. 2019-20 to ₹1,742.01 million in F.Y. 2020-21 is resultant of restatement of goodwill due to foreign exchange rate fluctuation. During the year, the Company has reviewed and restated the amounts of foreign currency translation of goodwill arising on acquisition of foreign subsidiaries. Accordingly there is reduction in carrying value of goodwill by ₹556.56 Mn in year ended 31 March 2020. There is no impact of the above change on the profit after tax for the year.

Other intangible assets

Other intangible assets decreased from ₹493.45 million in F.Y. 2019-20 to ₹433.39 million in F.Y. 2020-21 due to amortisation during the year.

Intangible assets under development

The decrease in intangible assets under development from ₹23.59 million in F.Y. 2019-20 to ₹10.52 million in F.Y. 2020-21 is resultant of capitalisation of intangible assets.

Non-current investments
The decrease in non-current investments from ₹1,312.88 million in F.Y. 2019-20 to ₹769.39 million in F.Y. 2020-21 is mainly due to sales of share of Strides Pharma Sciences Limited during the year.

Other non-current financial assets
The decrease in non-current financial assets from ₹68.03 million in F.Y. 2019-20 to ₹48.94 million in F.Y. 2020-21 is resultant of decrease in margin money due to repayment of term loans.

Current assets

Current investments
The decrease in current investments from ₹401.79 in F.Y. 2019-20 to ₹56.55 million in F.Y. 2020-21 is resultant of redemption of investment in mutual fund units by parent and subsidiary companies.

Trade receivables
The increase in trade receivables from ₹3,187.64 million in F.Y. 2019-20 to ₹3461.37 million in F.Y. 2020-21 is in line with business growth.

Other current assets
The other current assets have decreased from ₹387.24 million in F.Y. 2019-20 to ₹298.34 million in F.Y. 2020-21 due to utilisation of indirect tax credit.

Equity

Other Equity
The other equity increased from ₹6,374.30 million in F.Y. 2019-20 to ₹6,779.77 million in F.Y. 2020-21. Increased partly due to profitability for the year of the Group and decreased partly due to utilisation of reserves for the acquisition of balance stake in subsidiaries of the company.

Non-controlling interest
The non-controlling interest increased from ₹447.37 million in F.Y. 2019-20 to ₹486.65 million in F.Y. 2020-21. The increase in minority is a result of increased performance of subsidiaries having minority interest.

Non-current liabilities

Long-term borrowings
The decrease in long-term borrowings from ₹1,500.59 million in F.Y. 2019-20 to ₹937.06 million in F.Y. 2020-21 is mainly due to repayment of borrowings of Indian companies.

Other financial liabilities
The decrease in other financial liabilities from ₹668.43 million in F.Y. 2019-20 to ₹453.97 million in F.Y. 2020-21 is mainly due to reclassification of put option liability from non current to current liability which is in line with contractual terms.

Current liabilities

Current borrowings
The decrease in current borrowings from ₹1,471.21 million in F.Y. 2019-20 to ₹1,029.05 million in F.Y. 2020-21 is due to repayment of borrowing in Indian and Turkey operations.

Trade payables
The increase in trade payables from ₹2,203.80 million in F.Y. 2019-20 to ₹2,295.64 million in F.Y. 2020-21 is in line with business growth.

Other financial liabilities
The decrease in other current liabilities from ₹881.40 million in F.Y. 2019-20 to ₹823.36 million in F.Y. 2020-21 is resultant of recognition of additional put option liabilities and repayment of borrowing.

Consolidated statement of Profit and Loss for the year ended March 31, 2021

Particulars	F.Y. 2020-21	F.Y. 2019-20	% change
Revenue from operations	13,616.15	11,792.44	15%
Other Income	83.63	100.89	(17%)
Total Income	**13,699.78**	**11,893.33**	**15%**
Expenses			
Cost of materials consumed	5,886.65	5116.99	15%
Purchases of stock-in-trade	1,450.19	888.9	63%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(390.27)	44.62	975%
Employee benefit expenses	1,872.23	1,650.59	13%
Finance costs	243.83	357.14	(32%)
Depreciation and amortisation expenses	505.98	506.22	0%
Other expenses	2,676.65	2,388.12	12%
Total expenses	**12,245.26**	**10,952.58**	**12%**
Profit before exceptional items and tax	**1,454.52**	**940.75**	**55%**
Exceptional items	88.23	-	
Profit before tax	**1,366.29**	**940.75**	**45%**
Tax expenses	321.77	120.29	167%
Profit after tax	**1,044.52**	**820.46**	**27%**
Profit after tax for the year attributable to:			
- Owners of the Company	954.42	699.05	37%
- Non-controlling interest	90.1	121.41	(26%)

Revenue from operations
The revenue from operations increased from ₹11,792.44 million in F.Y. 2019-20 to ₹13,616.15 million in F.Y. 2020-21. This increase is commensurate with further expansion in operations.

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

Employee benefit expense
The employee benefit expenses have increased by 13% on account of the following:

- Average annual salary increase of 8%
- Proportionate increase in staff welfare expenses
- Increase in overall number of employees in the Group

Finance costs
The decrease in finance cost from ₹357.14 million in F.Y. 2019-20 to ₹243.83 million in F.Y. 2020-21 is due to repayment of loans and reduction of average interest rate.

Exceptional Items
The exceptional expenses of ₹88.23 million is due to accelerated vesting of unvested employee stock options, one time bonus announced and winding up of operation in France.

Tax expenses
The increase in tax expenses from ₹120.29 million to ₹321.77 million in F.Y. 2020-21.

The effective tax rate is higher than previously anticipated due to delays in assessments in certain countries due to the COVID situation.

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. Milind Sarwate, Mr. Neeraj Bharadwaj, and Mr. Tushar Mistry. A meeting of the Risk Management Committee was held on 24th February 2021 in which the current Risk Management process was evaluated and ways and means of strengthening the same were discussed.

The Company has adequate internal controls systems in place which provides 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.

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. During the year, the Company appointed Ropes & Gray, a reputed consultant which trained its employees on anti-money laundering, Anti-bribery and Corruption (ABAC), Counter Terrorist Financing. The Company conducts regular awareness programs to make its employees familiar with the abovementioned policies.

Key Ratios

Particulars	Consolidated	
	F.Y. 2020-21	F.Y. 2019-20
Debtors turnover ratio	3.93	3.70
Inventory turnover ratio	5.15	5.37
Interest coverage ratio*	6.97	3.63
Current ratio	1.83	1.67
Debt equity ratio**	0.22	0.33
Operating margin ratio	15.88%	14.91%
Net profit margin*	7.62%	6.90%
Return on net worth (RONW)*	14.51%	11.63%

*Significant change in interest coverage ratio, net profit margin and RONW is due to improvement in operational efficiency.

**Improvement in debt equity ratio is on account of repayment of borrowing in India and Turkey operations.

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

The year gone by has been a truly testing one with the COVID-19 pandemic redefining the concept of Business Responsibility across sectors. The situation continues to be demanding, having impacted innumerable lives, and is still evolving.

Given the nature of our industry and as part of the essential services sector, despite the ambiguous, uncertain and challenging environment we are living in, maintaining continuity of business operations with utmost safety became of paramount importance.

We demonstrated our commitment by stepping up early enough to achieve creditable performance in a tough phase while providing a safe working environment and taking care of our employees. We also supported our vendors and other partners to ensure the ecosystem continues to run without disruptions.

1. Corporate
2. Field Force Safety
3. Safe Workplace
4. Health Monitoring
5. Insurance
6. Emergency Support

Few details of the initiatives your Company undertook for its employees are as below:

Corporate

- Dedicated co-ordination and support from HQ for medical concerns of employees
- Ensuring smooth switch to remote working with rapid adoption of new technologies

Insurance

- Medical insurance coverage doubled across the board for all employees and their dependents
- In case of unfortunate loss of any employee's life, financial support to dependents of up to 8 years of salary

Field Force Safety

- Physical field visits replaced with digital sales and marketing initiatives
- Safety kits and continuous health trainings provided to all the team members

Safe Workplace

- Regular disinfection and sanitisation across all the company premises
- Staggered workforce schedules and timings to ensure social distancing at work

Emergency Support

- Health centres setup at all the manufacturing sites
- Oxygen concentrators made available for emergency requirements across all locations

Health Monitoring

- Daily screening of body temperature & oxygen levels for all employees
- Hand sanitiser dispensing machines installed at multiple points across all work locations

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, 2020 to March 31, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
   Pharmaceuticals, 21005
8. **List 3 key products/services that the Company manufactures/provides (as in the balance sheet)**
   Albendazole

   Triclabendazole

   Fenbendazole

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

9.1 Number of international locations

International 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: Mumbai, Vizag, Mahad, Tarapur

R&D Centres: Mumbai & Vizag

Analytical Facilities: Mangalore

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

Our major markets include Europe, Turkey, Latin America, India and select emerging markets.

Section B - Financial Details of the Company

1. **Paid up Capital (₹)**

   496.74 Million

2. **Total Turnover from operations (₹)**

   13616.15 Million

3. **Total profit after taxes (₹)**

   1044.52 Million

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

   The Company has spent ₹0.48 Million during the financial year under review balance ₹0.97 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

Section C - Other Details

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

   Yes. Details of subsidiaries forms part of the Board's Report

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. for participating in the BR initiatives of the Company

Section D - Business Responsibility (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**

   Annually

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 FY21 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 its 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://www.sequent.in/investor-relations.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 in-house structure to implement the policy/ policies?	Yes. There is an in-house structure with clearly defined roles and responsibilities that are periodically reviewed. In addition to this, we regularly share communications with the 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 has established trust with its stakeholders by adhering to compliant and ethical business practices. The approach is based on principles of accountability, integrity, transparency, and consistency. The Company's practice of making timely, accurate and complete disclosures of relevant information has enabled it to gain trust of all the stakeholders and ensure business is conducted in the most ethical manner.

Business Ethics

Accountability | Integrity | Transparency | Consistency

The Company adopted policies such as Code of Conduct and Ethics for Board of Directors and Senior Management Personnel, and Policy on Determination of Materiality for disclosure of events or information to ensure compliance with above principles to maintain a compliant business environment and ensure highest levels of adherence across the organisation. The Company is cognisant of its responsibility towards protecting and maintaining confidentiality of price sensitive information. In this regard, the Company has a Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives, which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated individuals to protect and maintain confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence, the Company implemented a system to comply with the SEBI Prohibition of Insider Trading Regulations.

The Company has in place 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 policy helps in establishing a framework for any stakeholder to report concerns about unethical behavior, actual or suspected fraud, violation of the company's code of conduct or ethics policy. The policy also provides adequate safeguards against any form of possible victimisation. The Ethics & Governance Committee is in place to ensure execution and compliance with the policy.

The Company has a dedicated communication address to receive concerns from whistle-blowers. The concerns received are dealt by the Audit Committee. For the year ended March 31, 2021, we received no complaints.

In FY21, the Company adopted the following policies:

a. Anti-Corruption Policy

b. Anti-Money Laundering and Counter Terrorist Financing Compliance Policy

Above stated policies cover all the employees, directors, and independent directors across all the locations. Adequate measures have been taken to educate the Company's expectation on ethical conduct, and the policies are made available in the internal portal for ready reference. Also, the Company appointed Ropes & Gray, a reputed consultant which trained its employees on anti-money laundering, Anti-bribery and Corruption (ABAC), Counter Terrorist Financing.

Principle 2 – Product Life Cycle Sustainability

The Company is committed to developing products that meet internationally accepted safety standards. The commitment of our team of dedicated professionals working at the Company's state-of-the-art Research & Development facilities is the cornerstone of our continued growth and portfolio expansion.

Accordingly, the company has initiated several R&D programs based on sustainable design philosophy, starting from raw material selection to formulation development and manufacturing. Regular audit programs validate our attempts to deliver consistent quality. Some of the certifications that give testimony to our quality commitments are approvals from global regulatory 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.

For our diverse set of products, we have been making efforts to address social & environmental concerns. For greater impact, additional emphasis was given towards higher volume products such as:

1. Albendazole
2. Triclabendazole
3. Ricobendazole

The Company has well-established standard operating procedures for identifying and approving vendors. The Company's 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 the utilisation of resources without compromising on the production quality.

Over time, the Company has developed standard operating practices for ensuring sustainable development, which is an important selection criteria for our vendors and suppliers. The Company prefers to enter into long-term commitments with business partners who fulfill their responsibility towards the environment and society.

The Company procures goods and avails services from a diversified set of vendors, with a focus on ones that are located around the manufacturing sites. Additionally, the Company promotes its suppliers to set up their manufacturing units near the Company's manufacturing locations, wherever feasible. These initiatives not only benefit the Company in terms of time optimisation and reduced logistics costs, but also support the environment through lower fuel consumption and resultant carbon emissions.

Focus Areas

Quality Assurance

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

Safe Operations

- 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

- Concerted efforts are made to support and help in improving the ability of our suppliers to manage higher volumes

Results of the initiatives carried out in FY21:

Saving of 24,758 units of electricity + Safe disposal of 204 tonnes of solid waste = Sustainable Development

PRINCIPLE 3-EMPLOYEE WELLBEING

Our employees form the foundation of the organisation and their well-being is of utmost importance to us. We follow best practices across all our sites to ensure their health & safety are taken care of and they are provided with ample growth opportunities in an equitable and fair environment.

Given the critical nature of our industry, recent turn of events magnified our responsibility & expectations towards the stakeholders which resulted in organisation taking never seen before initiatives to ensure the safety of employees, customers, and suppliers as well as coordinating with various government agencies to mitigate the impacts.

The organisation focused on multiple areas:

1. **Safe Workplace**
   Beyond Covid specific measures, the Company implemented several initiatives on a continual basis:
   i. Mandatory use of Personal Protective Equipments (PPEs) at every premise
   ii. Review of chemicals storage as per compatibility
   iii. Conducting regular safety inspections and audits

2. **Employee Engagement**
   To foster a sense of engaged workplace, the Company regularly carries out events wherein employees are given a platform to share their learnings along with their valuable experience, which benefits a wider section of the company.

   The company engages employees in multiple ways:

Employee Engagement initiatives:

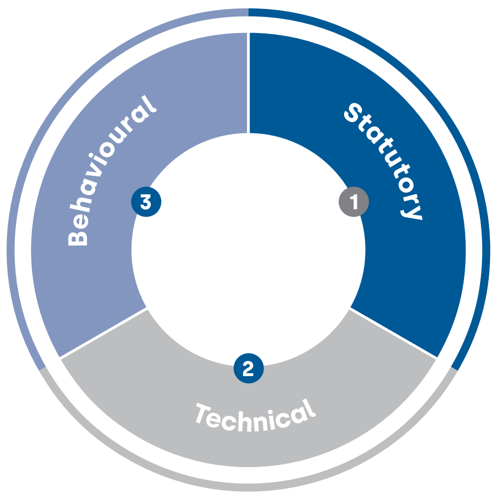
Engagement
- High Tea - Informal sessions aimed at building trust and bond among employees
- Book club at the HQ level - Employees share their learnings from different books

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

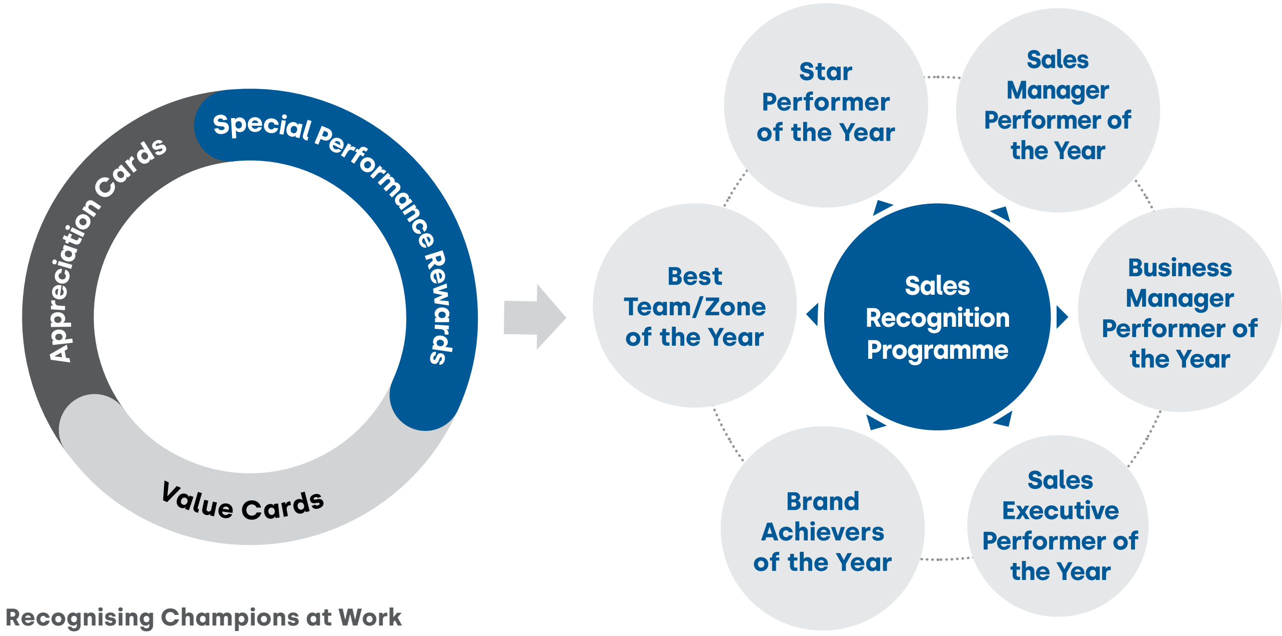
Communication
- Regular discussions on major developments in the industry
- Updates about the company's performance and the initiatives taken up

3. **Continuous Improvement**
   The Company takes pride in providing regular learning and development activities to its employees as we believe that such activities play a vital role in building the foundation for the growth of our employees. Trainings are conducted on a regular basis, broadly across 3 categories

   Along with activities focused on continuous improvement, the team realised the importance of having a corrective feedback loop mechanism. This led to the creation of the Sampark program which involves a HR team member interacting with employees on a rotational basis at manufacturing sites to comprehensively understand their suggestions and incorporate them in the training programs. This goes a long way in promoting a healthy workplace environment.



4. **Rewards & Recognition**
   To appreciate the employees for their efforts towards the organisation's growth, the Company has developed an environment wherein cross-functional employees can recognise the work of their colleagues. At Plant & Corporate level, we recognise the Champions at Work, and the same is further acknowledged by the Department Heads.



Recognising Champions at Work

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.

1952 Total Employees	151 Permanent Women Employees	3 Differently abled Employees
182 Temporary/ Contract Employees	3% Permanent Employee Association	0 Sexual harassment complaints
0 Child / forced / involuntary labor	0 Complaints against discriminatory employment	1760 Employees underwent safety refresher & skill upgradation training

Principle 4- Stakeholder Engagement

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

The company mapped its internal and external stakeholders who directly or indirectly influence the business operations. Our major stakeholders are:

Stakeholders

The company is accountable to stakeholder concerns and constantly endeavours 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 tools which the company uses for a meaningful communication with its stakeholders are:

1. Internal communications
2. Employee Engagement Initiatives
3. Quarterly Reports, Annual Reports, Investor Presentations
4. Earnings call audio and its transcripts
5. Press Releases
6. Company Website
7. Participation in Exhibitions and Conferences
8. Customer Feedback Sessions
9. Social media platforms

We also have Stakeholders Relationship Committee as constituted in terms of the provisions of SEBI Listing Regulations to specifically investigate the redressal of shareholder and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc.

The Company has a mapping of its internal and external stakeholders, and communicates with all, including the promoter shareholders, institutional shareholders and retail /minority shareholders in an uniform way, which is in compliance with the statutory provisions. We have not identified any disadvantaged, vulnerable or marginalised stakeholder.

Principle 5 – Human Rights

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

Compliance with the prohibition of child & forced labor along with workers' right to information is taken seriously by the organisation. The Company's subsidiaries also follow 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

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. Through the EHS newsletter, the Company regularly updates how its efforts have benefitted the environment.

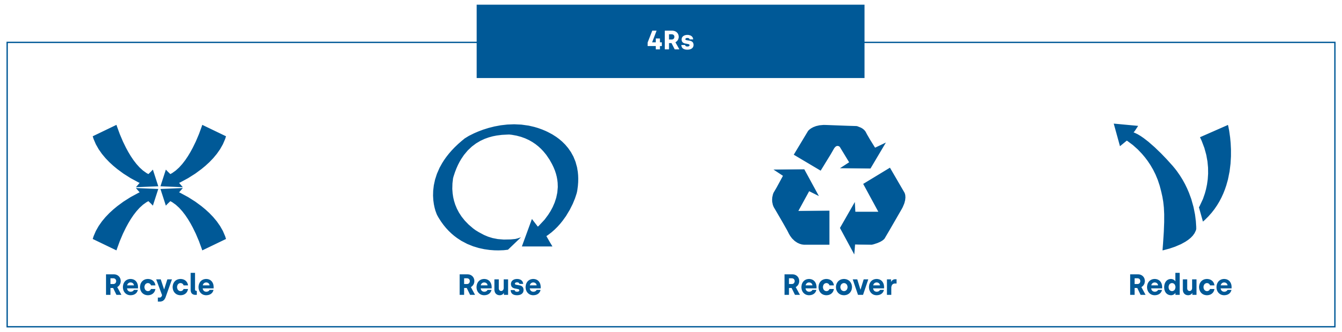
As a responsible organisation, the Company undertook several initiatives to address climate change. Over the years, the Company emphasised on the practices that address environmental issues ranging from judicious use of natural resources to upgrading processes focused on reducing solvent usage, reducing the quantity of raw materials used, and reduction in effluents generated.

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

The Company took several initiatives such as:

a. Incorporated Zero Liquid Discharge (ZLD) for wastewater treatment
b. Upgraded ETP
c. Improvement of the RO plant
d. Limited solvent exposure
e. Fossil fuel replaced with Biofuel

Also, the Company takes into account the effect its actions would have on the environment which led to the adoption of 4R – **"Reduce, Recover, Reuse and Recycle"**.



All the notices from CPCB/ SPCB received during FY20-21 were addressed and closed by the end of the year.

Principle 7- Policy Advocacy

The Company strives to create a positive impact and participate in influencing sound policy decisions to facilitate changes in public policies that are beneficial to the industry.

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. Tarapur Industrial Manufacturer Association Nehru Pharma City Association

The Company has consistently provided inputs on policies as appropriate, while advocating changes to the existing policy frameworks wherever needed. The Company through its membership and efforts helped in bringing about a positive change in the guidelines of the process for receiving Consent for Operation (CFO) from the Pollution Control Board (PCB) significantly easing the process, and in turn reducing the time required for industry participants.

Principle 8 – Equitable Development

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programs. The Company has set up 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.

From FY21, the Company focused its efforts on a long-term approach (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 FY 21:

Education & Livelihood

To educate and promote the livelihood of youth belonging to underprivileged sections of the society, the Company contributed towards Skill Development in Vizag & Mahad in the areas of multi-skill- electrician and industrial electrician respectively. Twenty-five students were enrolled in Vizag in a residential program for multi-skill-Technician and Twenty-one students from Mahad for industrial electrician were enrolled in a forty-five-day full-time learning course.

Rural Development

With no electricity, 200-odd kilometres away from the bustling metropolis Mumbai, has only a kerosene lamp for light – a sight so commonly seen in rural India where power remains unaffordable, inadequate, or simply non-existent for around 200 million people.

The Company aims to contribute to the sustainable development of rural regions by contributing towards clean energy initiatives in areas of power & water generation such as Solar Home Lighting Solutions, Solar Street Electrification, Solar Powered Water Lifting for water for domestic use, and drinking, Water Filtration for clean drinking water, and Solar system to the school in Balapada Village, Palghar District.

The project will make a significant impact on the lives of the villagers and a total of 55 households received light, 825 litres of drinking water is now made available per day, 30-35 litres of water for domestic use has been made available per day per person, and 275 villagers are now safer post sunset, 40+ students have received access to light and water in the school.

With clean water, there will be improved health indicators, leading consequently to better productivity, increased school attendance, and an improved quality of life. There will also be a significant impact on the environment and carbon neutralisation as the villagers move from kerosene to solar lights, and the added benefit of cost saving.

This project has been a large step towards creating the self-sufficient and sustainable village.

These initiatives touched upon the lives of 65 families & helped them to overcome their 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, Chirag Rural Development Foundation.

The Company spent ₹0.48 million during the financial year and ₹0.97 million is committed for the ongoing 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 that are of the highest quality
2. Maintaining industry standards & processes to ensure quality, safety and efficacy of products
3. Keeping an open feedback loop mechanism with customers

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. 70+ successful customer audits
2. USFDA, EUGMP, WHO approvals for manufacturing sites
3. EHS compliance with 15+ audits

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

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

There were no pending customer complaints and stakeholder cases against the Company for the FY21 period.

Board's Report

Dear Members,

The Board of Directors present the Company's Thirty-sixth Annual Report along with the Company's Audited Financial Statements for the Financial Year ended March 31, 2021.

1. Financial Summary

The summarised financial performance (Standalone and Consolidated) of your Company for Financial year 2020-21 and financial year 2019-20 is given below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	**2020-21**	2019-20
Revenue from operations	2,654.57	2,273.33	13,616.15	11,792.44
Other Income	199.66	145.61	83.63	100.89
Profit before interest, depreciation and tax	552.56	367.98	2,204.33	1804.11
Less: Finance costs	26.8	50.35	243.83	357.14
Less: Depreciation and amortisation expenses	91.28	89.50	505.98	506.22
Profit before tax (before exceptional items and tax)	434.48	228.13	1,454.52	940.75
Exceptional items	25.61	-	88.23	-
Profit before tax (after exceptional items and tax)	408.87	228.13	1,366.29	940.75
Provision for - Current Tax	73.05	31.83	320.99	227.44
- Deferred tax	26.89	(17.11)	(28.6)	(104.83)
- Current tax of prior period reversed	(12.20)	-	29.38	(2.32)
Profit after tax	321.13	213.41	1,044.52	820.46
Net Profit for the year attributable to:				
Owners of the Company	321.13	213.41	954.42	699.05
Non-controlling interest	-	-	90.10	121.41

2. COVID-19 Response

The COVID-19 pandemic has transformed the concept of Business Responsibility across industries, making the FY 2020-21 a true test in an unusual way. The situation remains challenging, having impacted many lives and continues to evolve. Conducting business operations with the utmost safety has become critical, despite the uncertain, and challenging environment we face. This becomes significant on the account of the fact that we are part of the essential services sector.

The recent turn of events has increased our responsibilities and expectations toward all stakeholders. We have demonstrated our commitment by stepping up early enough to achieve business growth in a challenging environment. Simultaneously we have provided a protected working environment for all and caring for our employees' well-being.

The Company's initiatives for its employees are documented in BRR, which is included in this Annual Report.

3. Business Performance Review

Financial year 2020-21 (FY20-21) was very significant year where we saw a seamless transition to the Carlyle group as the new promoter and broad-basing of the board with the addition of global industry stalwarts. The year was full of uncertainty led by COVID-19, resulting in prolonged lockdowns around the world, which impacted the normal business activity. Despite these challenges, we improved our margins significantly and our investments have also played out. We have significantly ramped up growth during the financial year and have delivered a robust 15.5% growth in top-line.

During FY 2020-21, on consolidated basis, your Company's revenue stood at ₹13,616.15 million as against ₹11,792.44 million in FY 2019-20. The Company posted an EBITDA of ₹2,162.86 million in FY 2020-21 as against ₹1,758.10 million in FY 2019-20. EBITDA margin during the year stood at 15.88%, up by 97 bps over previous year.

On a standalone basis, your Company's revenues for FY 2020-21 stood at ₹2,654.57 million as against ₹2,273.33 million in FY 2019-20. The Company posted an EBITDA of ₹353.19 million in the year 2020-21 as against ₹222.37 million in 2019-20. The Company made a net profit of ₹321.13 million.

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.

Business Overview:

Formulations

- Launched 3 new products in the European market
- Submitted first filings in the US, Canada, and Australia from India R&D
- Commercialised a multi-year distribution agreement with Zoetis for their ruminant portfolio in the domestic market
- Expanded operations in India to additional states of Kerala & Karnataka

API

- Commercialised 3 new APIs, submitted 4 VMF filings, and received CEP approval for 1 product
- Concluded the first phase of Vizag expansion project
- Completed de-bottlenecking of Mahad plant for enhanced production capacities
- Signed a long-term arrangement with a major animal health company for CDMO and product supplies

4. Dividend

Based on Company's performance, the Board of Directors has recommended a dividend of ₹0.50/- per equity share (i.e. 25%) of face value of ₹2/- each for the Financial year ended March 31, 2021.

Dividend Payout has been determined in accordance with Dividend Distribution Policy, which is available on the Company's website and can be accessed at https://sequent.in/pdf/policies/Sequent_Dividend_Distribution_Policy.pdf

Record date for dividend is Friday, September 10, 2021. Dividend, if approved by the Shareholders will be paid within 30 days from date of approval.

5. Transfer to Reserves

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

6. Share Capital

As on March 31, 2021, the Authorised Share Capital of the Company is ₹800,000,000/- divided into 400,000,000 equity shares of ₹2/- each.

During the year under review, the Authorised Share Capital of the Company was increased from ₹500,000,000/- divided into 250,000,000 equity shares of ₹2/- each to ₹800,000,000/- divided into 400,000,000 equity shares of ₹2/- each vide Ordinary Resolution passed by the Members of the Company through Postal Ballot on January 17, 2021.

The issued, subscribed and paid-up equity capital of the Company as on March 31, 2021 is ₹496,741,990/- divided into 248,370,995 equity shares of ₹2/- each. The Company has not issued any equity shares during the year. Further, your Company has not allotted any equity shares after the balance sheet date i.e. March 31, 2021.

7. Corporate Actions

Acquisition of control over the Company by CA Harbor Investments (A Carlyle Group Company)

On May 08, 2020, certain promoters of the Company (together the "Sellers" or "Original Promoters") entered into a Share Purchase Agreement with CA Harbor Investments ("Carlyle") (as subsequently amended, and which agreement read with such amendments are collectively referred to as "SPA"), under which Carlyle agreed to acquire (a) control over SeQuent Scientific Limited ("Company") from the Sellers, and (b) equity shares amounting to 53.02% (fifty three point zero two percent) of the paid-up equity share capital of the Company held by the Sellers, in accordance with the terms and conditions thereof. Pursuant to the SPA, Carlyle made a public announcement for open offer ("Open Offer") under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations"). The said open offer opened on August 25, 2020 and closed on September 07, 2020.

On August 17, 2020, Carlyle and the Sellers consummated the first tranche under the SPA pursuant to which Carlyle acquired equity shares from the Sellers amounting to 25.20% (twenty-five point two zero percent) of the paid-up equity share capital of the Company along with control over the Company and became a 'Promoter' of the Company. On August 17, 2020, the Company notified the Stock Exchanges that Carlyle has acquired control over the Company and has become a Promoter of the Company w.e.f. August 17, 2020. Further, on September 08, 2020, Carlyle acquired equity shares amounting to 27.82% (twenty-seven-point eight two percent) from the Sellers.

Carlyle also acquired 4,467 equity shares through the Open Offer, which concluded on September 07, 2020. Carlyle currently holds 131,680,103 equity shares aggregating to 53.02% of the paid-up equity share capital in the Company.

Consequent to the change in Promoters, the Original Promoters have requested for re-classification of category from 'Promoter' to 'Public'. The said request was approved by the Board on November 06, 2020 and the Shareholders through Postal Ballot on March 14, 2021. The Company has filed requisite application for re-classification of Promoters with the Stock Exchanges.

8. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the "Listing Regulations"), the Consolidated Audited Financial Statements forms part of the Annual Report.

9. Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2021, your Company has 22 (Twenty-two) Subsidiaries, out of which 12 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, 2021:

Name of the Subsidiary	Changes during the year
Alivira Animal Health UK Limited	Incorporated on April 29, 2020
Alivira Animal Health Australia Pty Limited	Struck-off w.e.f. May 13, 2020

10. 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 October 2020, Alivira Animal Health Limited, Ireland, Wholly Owned Subsidiary of the Company acquired 15% stake in Fendigo BV, Netherlands (Fendigo Netherlands), for a consideration of Euro 191,947.50 to make Fendigo Netherlands a wholly owned subsidiary of the Company.

b) In November 2020, Alivira Animal Health Limited, Ireland, Wholly Owned Subsidiary of the Company acquired 40% stake in Provet Veteriner Urunleri San. Ve Tic. A. S., Turkey (Provet) for a consideration of USD 18.04 Million to make Provet a wholly owned subsidiary of the Company.

c) In March 2021, Alivira Animal Health Limited, Ireland, Wholly Owned Subsidiary of the Company acquired 7.5% stake in Fendigo SA, Belgium (Fendigo Belgium), for a consideration of Euro 551,075 to make Fendigo Belgium a wholly owned subsidiary of the Company.

11. 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 www.sequent.in.

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

12. Annual Return

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at https://sequent.in/pdf/annual-report/MGT-7%202020-2021.pdf.

13. 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.

14. 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.

15. Directors & Key Managerial Personnel

As on March 31, 2021, 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.

During the year under review, CA Harbor Investments, a Carlyle Group Company became Promoter of the Company by acquiring 53.02% from the Original Promoters led by Mr. Arun Kumar as detailed under head 'Corporate Actions' in Point No. 7 of this Report.

Consequently, the Board underwent the following changes:

Cessation of Directorships

- Mr. Narendra Mairpady (DIN: 00536905) ceased to be a Director of the Company w.e.f. July 31, 2020 upon completion of his term as an Independent Director of the Company.
- Mr. KEC Rajakumar (DIN: 00044539) and Dr. S. Devendra (DIN: 00050440) resigned from the Directorship of the Company w.e.f. August 17, 2020 and Dr. Gopakumar Nair (DIN: 00092637) resigned from the Directorship of the Company w.e.f. August 25, 2020.

We place on record our appreciation for the immense contribution and valuable guidance given by Mr. Narendra Mairpady, Mr. KEC Rajakumar, Dr. S. Devendra and Dr. Gopakumar Nair during their association as Board Members of the Company.

Appointment of Directors

- Mr. Neeraj Bharadwaj (DIN: 01314963) and Mr. Rahul Mukim (DIN: 06996915) who were appointed as Additional Directors (Non-Executive Non-Independent) of the Company w.e.f. August 17, 2020, automatically ceased to be Directors on conclusion of the 35th AGM held on August 25, 2020. They were re-appointed as Additional Directors (Non-Executive Non-Independent) by the Board of Directors w.e.f. August 25, 2020.
- Dr. Kamal Sharma (DIN: 00209430) and Mr. Milind Sarwate (DIN: 00109854) were appointed as Additional Directors (Non-Executive Independent) by the Board of Directors w.e.f. August 25, 2020.
- Mr. Gregory Andrews (DIN: 08904518) was appointed as an Additional Director (Non-Executive Non-Independent) by the Board of Directors w.e.f. November 06, 2020.
- Dr. Fabian Kausche (DIN: 08976500) was appointed as an Additional Director (Non-Executive Non-Independent) by the Board of Directors w.e.f. December 14, 2020.

All the aforesaid appointments of Directors were duly approved by the Members of the Company vide Ordinary Resolutions passed through Postal Ballot on January 17, 2021.

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.

As on March 31, 2021, Mr. Manish Gupta, Managing Director, Mr. Sharat Narasapur, Joint Managing Director, Mr. Tushar Mistry, Chief Financial Officer and Mr. Krunal Shah, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Act.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Manish Gupta, Managing Director and Mr. Sharat Narasapur, Joint Managing Director, retires by rotation at the ensuing AGM. The Board of Directors has recommended their re-appointment.

16. Board Evaluation

Pursuant to provisions of Schedule IV of the Act and rules made thereunder and provisions of Listing Regulations, the Company has 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 of the Board 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.

17. Meetings of the Board

During the year under review, 9 (Nine) Board Meetings were held on May 08, 2020, May 12, 2020, July 30, 2020, August 12, 2020, August 17, 2020, August 25, 2020, November 06, 2020, December 14, 2020 and February 03, 2021. The maximum interval between any two consecutive Board Meetings did not exceed 120 days. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report.

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

18. 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;
- 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 and to regularly review the plan.

19. Committees of the Board

The Board of Directors have the following Committees:

a. Audit Committee

b. Nomination and Remuneration Committee

c. Stakeholders Relationship Committee

d. Corporate Social Responsibility Committee

e. Risk Management Committee

f. Ethics and Governance Committee

g. Board and General Committee

The Risk Management Committee was constituted by the Company on July 30, 2020 in terms of Regulation 21 of the Listing Regulations and was re-constituted by the Company on August 25, 2020.

The Ethics and Governance Committee was voluntarily constituted by the Company on February 03, 2021.

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.

20. 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, 2021 forms integral part of this Annual Report. Except as set forth below, there are no qualifications/ reservations/adverse remarks/disclaimer/emphasis of matter in their reports referred above:

(i) Emphasis of matter in the Independent Auditor's Report on Consolidated Financial Statements with respect to restated goodwill and foreign currency translation reserve as of April 01, 2020 and March 31, 2021 and Other Comprehensive Income for the year ended March 31, 2021, in Consolidated Financial Statements, as elaborated in Note No. 52 to the Consolidated Financial Statements;

(ii) Qualifications in the Auditor's Report on Internal Financial Controls on Financial Reporting forming part of their report on Standalone Financial Statements and in the Independent Auditor's Report on Internal Financial Controls on Financial Reporting forming part of their report on Consolidated Financial Statements with respect to above-referred matters concerning revenue recognition.

(iii) The Statutory Auditors have included remarks in their report under the Companies (Auditors report) Order, 2016 with respect to the above-referred matter concerning revenue recognition, which was detected by the management. The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Act.

The management's response on the above-mentioned Emphasis of Matter and Qualifications concerning revenue recognition is given below:

Revenue Recognition: The matters in question were detected by the management and subjected to a detailed review including examination by an external independent agency. The impact of acceleration of revenue recognition is detailed in the notes to accounts referred above. The Company's management considers this issue to have arisen on account of lack of training for personnel and control gaps and has corrected the processes leading to such non-adherence related to revenue recognition and will continue to strengthen them further and hence does not expect any continuing impact.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Act, read with rules therunder and Regulation 24A of the Listing Regulations, the Board has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretaries (Certificate No. 2631) to conduct secretarial audit for the Company and its unlisted material subsidiary, Alivira Animal Health Limited (Alivira).

The Secretarial Audit Report in Form No. MR-3 of the Company and Alivira are attached as **"Annexure 2A" and "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 2020-21 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, 2021 would be filed within the due date prescribed by law.

The remuneration proposed to be paid to the Cost Auditors for the financial year 2021-22, forms part of the Notice of the ensuing AGM for approval of the Shareholders.

21. Segment

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

22. 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.

23. 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 is hosted on the Company's website and can be accessed at http://www.sequent.in/pdf/policies/Sequent_Whistle%20Blower%20Policy_2019.pdf.

24. 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, 12, 16 and 45 to the Standalone Financial Statements in the Annual Report.

25. 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.

The particulars of 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 is attached as an **'Annexure 4'** forming part of this report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and 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.

26. Corporate Social Responsibility

The Corporate Social Responsibility Committee of the Company was re-constituted by the Board of Directors on August 25, 2020 comprising of Dr. Kamal Sharma, Independent Director, Mr. Rahul Mukim, Non-Executive Director and Mr. Sharat Narasapur, Joint Managing Director as its Members. Your Company in the Meeting of Corporate Social Responsibility ('CSR') Committee held on March 12, 2021 has formulated a revised 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 5'** forming part of this report.

27. Internal Financial Controls

Reference is drawn to Qualification in the Independent Auditor's Report on Internal Financial Controls on Financial Reporting forming part of their report on Standalone Financial Statements and in the Independent Auditor's Report on Internal Financial Controls on Financial Reporting forming part of their report on Consolidated Financial Statements with respect to matters concerning revenue recognition as set forth under "Auditors and Auditors' report" above.

Subject to these observations: (i) your Company believes that it has in place adequate internal financial controls with reference to financial statements; (ii) During the year under review, such controls were tested and no reportable material weakness in the design or operations were observed; and (iii) 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.

28. Directors' Responsibility Statement

Reference is drawn to matters concerning non-adherence with the Company's policy and practices leading to accelerated revenue recognition during the financial year, as elaborated in Note No. 54 to the Standalone Financial Statements and Note No. 53 to the Consolidated Financial Statements, and the consequent: (i) qualifications (in the auditors reports on internal financial controls on financial reporting; and (ii) remarks in the auditor's report under the Companies (Auditors report) Order, 2016; as detailed under the head "Auditors and Auditors' report" in this Board's Report. Subject to the matters stated above, 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, 2021, 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, 2021 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, 2021 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, 2021 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.

29. 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 6'** forming part of this report.

30. 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 Complaints Committee(s) (ICCs) 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, 2021.

31. 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, 2021 is provided separately and forms integral part of this Annual Report.

32. 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 is provided separately and forms integral part of this Annual Report. BRR is also available on the Company's website and can be accessed at www.sequent.in.

33. 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, 2021, is provided separately and forms integral part of this Annual Report.

34. 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.

35. Secretarial Standards

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

36. 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 2020-21 and the date of this report.

37. 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.

38. Employee Stock Option Scheme

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

a) SeQuent Scientific Employee Stock Option Plan 2010

An Employee Stock Option Plan titled "SeQuent Scientific Employee Stock Option Plan 2010" (the "SeQuent ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Regulations") as amended from time to time, pursuant to a Special Resolution passed by the Shareholders of the Company on March 25, 2008 and further modified by the Members on May 24, 2010, August 02, 2014 and September 24, 2015. The total number of options available under the Scheme is 7% of the total paid up capital of the Company. This ESOP Scheme is managed through a Trust.

During the year under review, NRC in its meeting held on August 17, 2020 has approved grant of 1,11,600 options under the ESOP Scheme at an exercise price of ₹40 per option to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares after a vesting period of 1 year from the date of grant of options.

Further, in terms of the ESOP Scheme, 23,13,750 outstanding unvested options got vested on September 12, 2020 consequent to change in control triggered by the acquisition of majority stake by the Carlyle Group in the Company on August 17, 2020.

The Company does not propose to grant further stock options under this Scheme.

b) SeQuent Scientific Limited Employees Stock Option Plan 2020

During the year, the Board of Directors ("the Board") of the Company at its meeting held on December 14, 2020, based on the recommendation of the NRC, approved introduction of Sequent Scientific Limited Employees Stock Option Plan 2020 ("SeQuent ESOP 2020") under which the maximum number of equity shares of the

Company that could be created, offered, issued and allotted should not exceed 1,85,00,000 (One Crore Eighty-Five lakhs) options exercisable into equivalent number of Equity Shares of ₹2/- each fully paid up of the Company.

The synopsis of the Scheme is as under:

i) Overall limit of 1,85,00,000 Options to be split into 3 types of options:

   a) 1,00,00,000 (One Crore) Class A Options

   b) 60,00,000 (Sixty Lakhs) Class B Options

   c) 25,00,000 (Twenty-Five Lakhs) Class C Options

ii) The Scheme is extended to Permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board and / or permitted under SEBI ESOP Regulations (hereinafter referred to as 'Eligible Employees') but does not include an employee who is a promoter or a person belonging to the promoter group and the director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

iii) Permanent employee(s) and Directors of any existing and future subsidiary company(ies) of the Company whether in or outside India, as may be permissible under the SEBI ESOP Regulations from time to time,

iv) The first lot of Grants was proposed to be issued at an Exercise Price of ₹86/- per option by NRC. It will decide on the exercise price for future grants.

v) The Company sought and received Shareholder's approval for the said Scheme through Postal Ballot on January 17, 2021.

vi) Under the Scheme, 73,50,000 Class A Options were granted to eligible employees on March 01, 2021 by the Company at an exercise price of ₹86/- per option. None of the options granted are vested or exercised as on date.

The above ESOP schemes are in compliance with the SEBI ESOP Guidelines. A certificate from M/s. S R B C & CO LLP, Chartered Accountants, the Statutory Auditors of the Company, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing AGM for inspection by the Members. The said certificate is available for inspection by the Members in electronic mode.

The details as required to be disclosed under Section 62 of the Act read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 is attached as an **'Annexure 7'** forming part of this report.

39. 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.

40. Acknowledgment

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: June 30, 2021

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, 2021

(₹ in Million)

Sl No.	Name of the Subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) 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	4,474.47	8,514.56	3,562.36	3,562.63	4,233.60	315.65	(6.72)	298.04	-	100.00%
2	Alivira Animal Health Limited	September 01, 2014	Ireland	NA	USD	73.50	1,180.71	2,458.54	6,124.43	2,485.18	4,635.20	510.81	(6.53)	-	(6.53)	-	100.00%
3	Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	September 09, 2014	Turkey	NA	TRY	8.87	17.73	303.61	1,132.71	811.37	119.26	1,149.12	105.05	38.59	66.46	-	100.00%
4	Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	December 11, 2015	Turkey	NA	TRY	8.87	8.87	421.31	638.84	208.67	17.23	964.87	218.83	63.39	155.45	-	100.00%
5	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	61.34	197.18	91.75	38.67	173.35	35.08	9.18	25.90	-	100.00%
6	Fendigo SA	December 03, 2015	Belgium	NA	Euro	86.10	13.34	230.70	411.94	167.91	-	889.46	113.14	30.85	82.29	-	100.00%
7	Fendigo BV	December 03, 2015	Netherland	NA	Euro	86.10	2.58	27.32	52.01	22.10	-	154.09	24.20	4.39	19.80	-	100.00%
8	N-Vet AB	December 03, 2015	Sweden	NA	SEK	8.38	5.03	109.42	165.89	51.44	-	177.66	7.66	1.72	5.95	-	96.10%
9	Aliviria Saude Brasil Participacoes Ltda	June 10, 2016	Brazil	NA	BRL	12.99	12.77	(204.53)	264.03	455.79	150.06	-	(54.97)	(3.81)	(51.17)	-	100.00%
10	Interchange Veterinaria Industria E Comercio Ltda	August 01, 2016	Brazil	NA	BRL	12.99	169.14	(215.07)	468.30	514.23	-	1,107.33	76.89	23.33	53.56	-	70.00%

(₹ in Million)

Sl No.	Name of the Subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
11	Evanvet Distribidora Productos Veterinarios Ltda. (Formerly knowns as Evance Saude Animal Ltda.)	December 26, 2018	Brazil	NA	BRL	12.99	0.45	60.16	144.18	83.56	-	557.77	90.96	30.52	60.44		70.00%
12	Vila Viña Participacions S.L.	July 01, 2016	Spain	NA	EURO	86.10	183.52	118.53	311.41	9.36	260.86	20.49	41.34	0.75	40.59	-	60.00%
13	Laboratorios Karizoo, S.A.	July 01, 2016	Spain	NA	EURO	86.10	30.72	668.00	2,158.76	1,460.04	20.58	3,023.46	131.55	26.05	105.50	-	60.00%
14	Laboratorios Karizoo, S.A. DE C.V. (Mexico)	July 01, 2016	Mexico	NA	PESO	3.58	21.88	29.49	133.70	82.34	-	269.44	29.32	6.33	23.00	-	60.00%
15	Comercial Vila Veterinaria De Lleida S.L.	July 01, 2016	Spain	NA	EURO	86.10	0.77	80.83	130.78	49.17	0.03	441.04	29.81	7.30	22.51	-	60.00%
16	Phytotherapic Solutions S.L	July 01, 2016	Spain	NA	EURO	86.10	2.58	149.04	174.81	23.19	-	198.18	45.93	10.91	35.02	-	60.00%
17	Bremer Pharma GmbH	April 17, 2018	Germany	NA	EURO	86.10	62.85	(174.64)	375.47	487.25	-	430.22	(144.63)	(0.00)	(144.63)	-	100.00%
18	Alivira France S.A.S	February 02, 2018	France	NA	EURO	86.10	129.15	(129.86)	12.55	13.26	-	6.61	(29.35)	-	(68.18)	-	75.00%
19	Alivira Italia S.R.L.	January 21, 2019	Italy	NA	EURO	86.10	8.61	(16.76)	37.19	45.34	-	36.58	(6.19)	-	(6.19)	-	95.00%
20	Elysian Life Sciences Private Limited	March 02, 2010	India	NA	INR	-	112.18	(112.19)	0.03	0.04	-	-	0.32	-	0.32	-	100.00%
21	Alivira Animal Health USA LLC	March 30, 2020	USA	NA	USD	-	21.17	(21.72)	1.74	2.29	-	-	(21.93)	-	(21.93)	-	100.00%
22	Alivira Animal Health UK Ltd	April 29, 2020	United Kingdom	NA	GBP	100.95	0.01	(0.01)	-	-	-	-	(0.01)	-	(0.01)	-	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**

Alivira Animal Health Australia Pty Limited

3 **Change in name of subsidiaries:**

The name of Evance Saude Animal Ltda. has been changed from 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, 2021

For and on behalf of the Board of Directors

Date: June 30, 2021
Place: Thane

Manish Gupta
Managing Director

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 March 31, 2021

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

To

The Members,

Sequent Scientific Limited

301, 3rd Floor, Dosti Pinnacle,

Plot No. E7, Road No. 22,

Wagle Industrial Estate,

Thane west – 400 604.

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2021, 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 March 31, 2021, 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;

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 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 appointment and resignation of directors was done in compliance with the provisions of the Act and Rules made thereunder.

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 except below:

During the year, there was change in the control and management of the Company. CA Harbor Investments, a Carlyle group Company have acquired 53.02% stake in the Company and have become Promoters w.e.f. August 17, 2020.

Signature:-

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

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

Date: 30.06.2021
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554C000549241

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 and Lockdown situation, 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 form without physically verifying at their office.

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)**
For:- **Nilesh Shah & Associates**
FCS: **4554**
C.P.: **2631**
Peer Review No. 698/2020

Date: 30.06.2021
Place: Mumbai
UDIN: F004554C000549241

Annexure 2B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2021, 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, 2021, 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;

(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)**

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

Peer Review No. 698/2020

Date: 30.06.2021
Place: Mumbai
UDIN: F004554C000549395

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 and Lockdown situation, 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 form without physically verifying at their office.

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)**
For:- **Nilesh Shah & Associates**
FCS: 4554
C.P.: 2631
Peer Review No. 698/2020

Date: 30.06.2021
Place: Mumbai
UDIN: F004554C000549395

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, 2021:	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 Mn for attending each meeting of the Board and the Committees. The ratio of remuneration of each Directors to the median remuneration of the employees of the Company for the financial year March 31, 2021:

Name of the Director	Ratio
Mr. Manish Gupta, Managing Director	60.37
Mr. Sharat Narasapur, Joint Managing Director	Refer Note No. 1
Mr. Tushar Mistry, Chief Financial Officer	36.87
Mr. Krunal Shah, Company Secretary	7.85

The median remuneration for the period under review is approximately ₹1,87,187/-.

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, 2021:

#	Particulars	% Increase
1.	Manish Gupta Managing Director	2.85%
2.	Mr. Sharat Narasapur Joint Managing Director	Not Applicable
3.	Mr. Tushar Mistry Chief Financial Officer	6.96%
4.	Mr. Krunal Shah Company Secretary	-

C.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2021	44.34%
D.	The number of permanent employees on the rolls of the Company as on March 31, 2021	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 8.62% and for managerial personnel was 39.09%.

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. 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 2020-21 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Thane
Date: June 30, 2021

Dr. Kamal Sharma
Chairman

Annexure 4

Form No. AOC – 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts or arrangements, or transactions entered into by the Company with related parties during the year ended March 31, 2021 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021 are as below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (Rupees in Million)	Date(s) of approval by the Board	Amount paid as advances, if any
1	Pronomz Ventures LLP, Promoter Group Entity	Sale of equity shares of Strides Pharma Science Limited	One time	Sale of 33,12,500 equity Shares of Strides Pharma Science Limited held by the Company to Promonz Ventures LLP, at a price of ₹475/- per share	1573.44	August 12, 2020 The Company also sought and received Shareholders approval for the said sale of shares	Nil
2	Alivira Animal Health Limited, Wholly Owned Subsidiary of the Company	Sale of goods	Ongoing transaction (continuous)	The Company supplied Active Pharmaceuticals Ingredient (API) and Intermediates to Alivira Animal Health Limited on arm's length basis.	1,213.63	January 28, 2020	Nil

For and on behalf of the Board of Directors

Place: Thane
Date: June 30, 2021

Dr. Kamal Sharma
Chairman

Annexure 5

Annual Report on CSR Activities of Sequent Scientific Limited for FY 2020-21

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	No. of Meetings of CSR Committee held during the period in which the said Director was a Member	Number of meetings of CSR Committee attended during the year
1.	Dr. Gopakumar Nair, Independent Director (ceased to be a Member on August 25, 2020)	Chairperson	2	1	1
2.	Dr. Kausalya Santhanam, Independent Director (ceased to be a Member on August 25, 2020)	Member	2	1	1
3.	Mr. Manish Gupta, Managing Director (ceased to be a Member on August 25, 2020)	Member	2	1	1
4.	Dr. Kamal Sharma, Independent Director (appointed w.e.f. August 25, 2020)	Chairperson	2	1	1
5.	Mr. Rahul Mukim, Non-Executive Director (appointed w.e.f. August 25, 2020)	Member	2	1	1
6.	Mr. Sharat Narasapur, Joint Managing Director (appointed w.e.f. August 25, 2020)	Member	2	1	1

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): **₹72.44 Mn**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹1.45 Mn**

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

   (c) Total CSR obligation for the financial year (7a+7b-7c): **₹1.45 Mn**

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

Total Amount Spent for the Financial Year. (in Mn)	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.
0.48	0.97	April 22, 2021	Not Applicable	Not Applicable	Not Applicable

*The Unspent CSR amount of ₹0.97 Mn for FY 2020-21 is earmarked towards ongoing projects as detailed below:

(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 2020-21 (in Mn.)	Amount spent in the current financial Year (in Mn.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Mn.)	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	Maharashtra	Mahad	3 Years	0.45	Nil	0.45	No	Deva Lok Educational Trust	CSR00000371
2.	Rural Development	Clause (x)-Rural Development Projects	Yes	Maharashtra	Palghar	3 Years	0.52	Nil	0.52	No	Chirag Rural Development Foundation	CSR00001301
	TOTAL						**0.97**		**0.97**			

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
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.		Amount spent for the project (in Mn.).	Mode of implementation - Direct (Yes/No).	Mode of implementation – Through implementing agency.
				State.	District.			
1.	Contribution for building of COVID Centre	Clause viii-Contribution to PM National relief fund	Yes	Maharashtra	Mahad	0.45	Yes	Direct
2.	Contribution to PM Cares Fund for relief efforts against coronavirus	Clause viii-Contribution to PM National relief fund	Yes	Andhra Pradesh	Vizag	0.03	Yes	Direct
	TOTAL					**0.48**		

   (d) Amount spent in Administrative Overheads: **Nil**

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

   (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹0.48 Mn**

   (g) Excess amount for set off, if any: **Not Applicable for the financial year under review**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**
   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**

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 ₹1.45 Mn towards CSR activities in FY 2020-21 in terms of Section 135 of the Companies Act, 2013. The Company has spent ₹0.48 Mn towards CSR activities in FY 2020-21 and balance ₹0.97 Mn was earmarked to be spent on Ongoing Projects as detailed in this report.

    An amount of ₹0.97 Mn was transferred to 'Unspent CSR Account' maintained with HSBC Bank on April 22, 2021.

For and on behalf of the Board of Directors

Dr. Kamal Sharma
Independent Director & Chairman of CSR Committee
DIN: 00209430

Mr. Manish Gupta
Managing Director
DIN:06805265

Annexure 6

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

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

1. **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 11 % (1240 KL) & Low COD effluent reduced by 8 % (1073 KL).
2. **Multi Effect Evaporator (MEE) feed reduction:** MEE feed reduced by 1073 KL.
3. **Reduction of steam loss:** Provided temperature control loop in hot water system.
4. **Reuse of RO -Sanitisation water:** Water used for gardening saved by 2 KL/week. (96 KL Lit/year)

Impact of energy conservation:

1. **Energy Saving:** Units/ kg produced has reduced by 12.3% in 2020-21 as compared to 2019-20.
2. **Water Saving:** Water (KL)/ kg produced has reduced by 18.5% in 2020-21 as compared to 2019-20.

Vizag

Steps Taken

1. **Usage of Waste as supplemental fuel to cement kiln:** 208 T/year.
2. **Usage of SS bins instead of polybags:** Potential saving of plastic (1.8 T/year).
3. **Reuse of waste:** 5.5 T in two campaigns.
4. **Use of VFD drives:** SRS cooling tower induced draught fan & cooling tower circulation Pumps.
5. **Savings from periodic power trip:**
   a. Temperature sensors arranged to trip cooling tower induced draught Fan.
   b. Timer placed for General vacuum pumps to trip automatically after set time interval.
   c. Process Reactor Vision Lamps trip with certain time intervals
6. **Reduction in Coal consumption in boiler:** Recovered Steam condensate used in boiler maximum up to 75%.
7. **Illumination Saving**
   a. Placing sensors to lower illumination of lights during absence of human.
   b. Replacement of CF lamps by LED.
8. **Third Party Energy Audit:** To optimise, reduce losses and improve energy efficiency.

9. **Reduction of Effluent:** Use of Single Solvent Methanol instead of Acetic acid and DMSO for a product. Used Solvent is recovered.

Impact of energy conservation:
1. Energy Saving: Units/ kg produced has reduced by 22.1% in 2020-21 compared to 2019-20.
2. Water Saving: Water (KL)/ kg produced has reduced by 14.8 % in 2020-21 compared to 2019-20.

Tarapur
Steps taken
1. **Re-use of purified water plant reject water for cooling tower:** Saving of approx. 3KL/day.
2. **Illumination Saving:** LED lamps arranged in place of CF lamp (saving of 1776 W/day)

Impact of energy conservation:
1. Hazardous waste/ kg produced has reduced by 3% in 2020-21 compared to 2019-20.

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

Mahad
1. Solar power discussion initiated at Mahad -Primary study completed, working on site feasibility/infra availability.

Vizag
1. Solar energy through Power Purchase Agreement with third party suppliers done. Monthly saving of approx. ₹5 Lakh expected.
2. Proposal made to have solar panels in unused vacant area and car shed areas in agreement with third party.

(iii) Capital investment on energy conservation equipment
1. LED lamps have been introduced to all sites for new procurements.
   a. **Mahad:**
      - Old light:70 W lights (12 No) replaced with New LED: 30 W (12 No). Cost saving 480 W/day.
      - Installed solar streetlight Energy Saving 540 W/day.
   b. **Tarapur:**
      - Old 72 W lights (27 No) replaced with New LED: 22 Watt (36 No). Energy saving of 1152 W/day.
      - Old 50 W CFL streetlights (10 No) replaced with New LED streetlights: 30 W (10 No). Energy saving of 240 W/day.
      - Old godown lights 36 W (10 No) replaced with New LED- 20 W (10 No). Energy saving 384 W/day.
2. Replace all Steam ejector with dry vacuum pump. Saving steam (250Kg/hr X 3) Ejector 18000 kg/hr steam save which reduces 14 to 15 KL condensate water load on ETP.
3. Provided -Thermic fluid -hot & cold system for Diamine distillation -against earlier Cooling water system-Purely safety operation at Mahad.
4. As part of energy conservation and operational safety, we have implemented solvent transfer system for main solvent -Acetone/Methanol-Reduce manpower/handling.
5. Installed LED light at ADD AMB new R & D project /site - 20 % power saving against normal tube light.

(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.
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:
   a. Agitated Nutsch filter commissioned instead of centrifuges.
   b. Rotary Cone Vacuum Dryer commissioned instead of Tray Dryer.
6. Enhancing Capacity
   a. New distillation column at Mahad which will increase the recovery/ recycling of recovered solvent.
   b. Hydrogenation block at Vizag to reduce dependency on contract manufacturing organisations.
   c. A new module at Vizag with an additional Clean Room helped improvise on capacity.
7. Sending organic waste generated to cement industry at Mahad to be used as auxiliary fuel.

(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 2020-21 is Nil.

(C) Foreign Exchange Earnings and Outgo:

₹ In Mn

Particulars	FY 2020-21
Foreign Currency earned	686.20
Foreign Currency used	281.13

For and on behalf of the Board of Directors

Place: Thane
Date: June 30, 2021

Dr. Kamal Sharma
Chairman

Annexure 7

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

A. Details related to Employee Stock Option Scheme

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

a) SeQuent Scientific Employee Stock Option Plan 2010

An Employee Stock Option Plan titled "SeQuent Scientific Employee Stock Option Plan 2010" (the "SeQuent ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Regulations") as amended from time to time, pursuant to a Special Resolution passed by the Shareholders of the Company on March 25, 2008 and further modified by the Members on May 24, 2010, August 02, 2014 and September 24, 2015. The total number of options available under the Scheme is 7% of the total paid up capital of the Company. This ESOP Scheme is managed through a Trust.

During the year under review, NRC in its meeting held on August 17, 2020 has approved grant of 1,11,600 options under the ESOP Scheme at an exercise price of ₹40 per option to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares after a vesting period of 1 year from the date of grant of options.

Further, in terms of the ESOP Scheme, 23,13,750 outstanding unvested options got vested on September 12, 2020 consequent to change in control triggered by the acquisition of majority stake by the Carlyle Group in the Company on August 17, 2020.

The Company does not propose to grant further stock options under this Scheme.

b) SeQuent Scientific Limited Employees Stock Option Plan 2020

During the year, the Board of Directors ("the Board") of the Company at its meeting held on December 14, 2020, based on the recommendation of the NRC, approved Sequent Scientific Limited Employees Stock Option Plan 2020 ("SeQuent ESOP 2020") under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted should not exceed 1,85,00,000 (One Crore Eighty-Five lakhs) options exercisable into equivalent number of Equity Shares of ₹2/- each fully paid up of the Company.

The synopsis of the Scheme is as under:

i) Overall limit of 1,85,00,000 Options to be split into 3 types of options:

a) 1,00,00,000 (One Crore) Class A Options

b) 60,00,000 (Sixty Lakhs) Class B Options

c) 25,00,000 (Twenty-Five Lakhs) Class C Options

ii) The Scheme is extended to Permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board and / or permitted under SEBI ESOP Regulations (hereinafter referred to as 'Eligible Employees') but does not include an employee who is a promoter or a person belonging to the promoter group and the director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

iii) Permanent employee(s) and Directors of any existing and future subsidiary company(ies) of the Company whether in or outside India, as may be permissible under the SEBI ESOP Regulations from time to time,

iv) The first lot of Grants was proposed to be issued at an Exercise Price of ₹86/- per option by NRC. It will decide on the exercise price for future grants.

v) The Company sought and received Shareholder's approval for the said Scheme through Postal Ballot on January 17, 2021.

vi) Under the Scheme, 73,50,000 Class A Options were granted to eligible employees on March 01, 2021 by the Company at an exercise price of ₹86/- per option. None of the options granted are vested or exercised as on date.

The above ESOP schemes are in compliance with the SEBI ESOP Guidelines. A certificate from M/s. S R B C & CO LLP, Chartered Accountants, the Statutory Auditors of the Company, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing AGM for inspection by the Members. The said certificate is available for inspection by the Members in electronic mode.

Option movement during the year 2020-21 (SeQuent ESOP 2010)

Particulars	SeQuent ESOP 2010
Number of options outstanding as on April 01, 2020	41,38,500
Number of options granted during year	1,11,600
Number of options forfeited / lapsed during the year	2,20,700
Number of options vested during the year	23,13,750
Number of options exercised during the year	34,43,500
Number of shares arising as a result of exercise of options	34,43,500
Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	10,44,90,000
Options outstanding as on March 31, 2021	5,85,900
Options exercisable as on March 31, 2021	4,85,000
Variation of terms of options	Nil
Weighted average exercise price of options	40.00
Weighted average fair values of options	50.02
Range of exercise price for options outstanding at the end of the year	₹40/- per option

Option movement during the year 2020-21 (SeQuent ESOP 2020)

Particulars	SeQuent ESOP 2020
Number of options outstanding as on April 01, 2020	Nil
Number of options granted during year	73,50,000 Class A options
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Options outstanding as on March 31, 2021	73,50,000
Options exercisable as on March 31, 2021	Nil
Variation of terms of options	Nil
Weighted average fair values of options	170.98
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:

Sl. No.	Name of employee	Designation	No. of options granted during the year	Exercise price
a.	Key managerial personnel/ Senior managerial personnel			
1.	Mr. Manish Gupta	Managing Director	40,00,000	₹86/- per option
2.	Mr. Tushar Mistry	Chief Financial Officer	5,00,000	₹86/- per option
3.	Mr. Sharat Narasapur	Joint Managing Director	5,00,000	₹86/- per option
b.	Any other employees who received a grant in any one year of option amounting to 5% or more of options granted during the year: Mr. Manish Gupta, Managing Director of the Company			
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant: Mr. Manish Gupta, Managing Director of the Company				

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. Ravi Kumar Aray and Mr. Prasad Lad
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹8,74,74,573/-
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 01, 2020	49,34,750
(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	34,43,500
(d)	Number of shares held as on March 31, 2021	14,91,250

E. Description of ESOP that existed during the year

i) SSL ESOP Scheme 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

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 September 08, of every year commencing from September 08, 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. The price is based on the price paid by the Carlyle Group to acquire controlling stake in SeQuent Scientific Limited in August 2020 and September 2020 and the price at which an open offer was made to the Shareholders of Sequent Scientific Limited under the SEBI Takeover Regulations.
5.	Maximum period of options granted	7 years from the date of grant of options
5.	Source of shares	Primary
6.	Variation in terms of options	Nil
7.	Method used to account for ESOP (Intrinsic or Fair value)	Fair Value
8.	Where the company opts for expensing of the options using the intrinsic value of the options	N.A.

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 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 Board is chaired by Dr. Kamal Sharma, Independent Director of the Company.

During the year under review, CA Harbor Investments, a Carlyle Group Company became Promoter of the Company by acquiring 53.02% from the Original Promoters led by Mr. Arun Kumar as detailed under head 'Corporate Actions' in Point No. 7 of the Board's Report. Consequently,the Board underwent following changes:

Cessation of Directorships

- Mr. Narendra Mairpady (DIN: 00536905) ceased to be a Director of the Company w.e.f. July 31, 2020 upon completion of his term as an Independent Director of the Company.
- Mr. KEC Rajakumar (DIN: 00044539) and Dr. S. Devendra (DIN: 00050440) resigned from the Directorship of the Company w.e.f. August 17, 2020 and Dr. Gopakumar Nair (DIN: 00092637) resigned from the Directorship of the Company w.e.f. August 25, 2020.

Appointment of Directors

- Mr. Neeraj Bharadwaj (DIN: 01314963) and Mr. Rahul Mukim (DIN: 06996915) who were appointed as Additional Directors (Non-Executive Non-Independent) of the Company w.e.f. August 17, 2020, automatically ceased to be Directors on conclusion of the 35th Annual General Meeting held on August 25, 2020. They were re-appointed as Additional Directors (Non-Executive Non-Independent) by the Board of Directors w.e.f. August 25, 2020.
- Dr. Kamal Sharma (DIN: 00209430) and Mr. Milind Sarwate (DIN: 00109854) were appointed as Additional Directors (Non-Executive Independent) by the Board of Directors w.e.f. August 25, 2020.
- Mr. Gregory Andrews (DIN: 08904518) was appointed as an Additional Director (Non-Executive Non-Independent) by the Board of Directors w.e.f. November 06, 2020.
- Dr. Fabian Kausche (DIN: 08976500) was appointed as an Additional Director (Non-Executive Non-Independent) by the Board of Directors w.e.f. December 14, 2020.

All the aforesaid appointments of Directors were duly approved by the Members of the Company vide Ordinary Resolutions passed through Postal Ballot on January 17, 2021.

None of the Directors on the Board:

- holds directorships in more than ten public companies.
- serves as Director or Independent Directors (ID) in more than 7 (Seven) listed entities and.
- who are Managing Director (Executive Directors) serves as Independent Directors (ID) in more than 3 (Three) listed entities.

Further none of the Directors as on March 31, 2021, acts as a member of more than 10 (Ten) committees or acts as a chairman/ chairperson of more than 5 (Five) committees across all Listed entities in which he / she is a Director.

During the year under review, all Independent Directors of the Company fulfil 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 the Act 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. http://www.sequent.in/pdf/independent-director/Terms%20&%20Conditions%20of%20Independent%20Directors.pdf

Board Meetings held during the year

During the year ended March 31, 2021, 9 (Nine) Board Meetings were held. These Meetings were held on May 08, 2020, May 12, 2020, July 30, 2020, August 12, 2020, August 17, 2020, August 25, 2020, November 06, 2020, December 14, 2020 and February 03, 2021.

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 held as on March 31, 2021:

Name of Director	DIN	Category	No. of Directorships held in other public companies	No. 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 Limited – NENID
Mr. Milind Sarwate	00109854	NEID	6	8	5	• Mahindra & Mahindra Financial Services Ltd – NEID • Matrimony.com Ltd – NEID • Metropolis Healthcare Limited– NEID
Dr. Kausalya Santhanam	06999168	NEID	2	3	-	• Solara Active Pharma Sciences Limited - NEID • Strides Pharma Science Limited – NEID
Mr. Neeraj Bharadwaj	01314963	NENID	3	-	-	-
Mr. Rahul Mukim	06996915	NENID	1	2	1	-
Mr. Gregory Andrews	08904518	NENID	-	-	-	-
Dr. Fabian Kausche	08976500	NENID	-	-	-	-
Mr. Manish Gupta	06805265	ED	2	1	-	-
Mr. Sharat Narasapur	02808651	ED	2	-	-	-

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 the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 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 twice on August 12, 2020 and March 24, 2021 in the year 2020-21 without the presence of Non-Independent Directors.

The Independent Directors in their Meeting held on August 12, 2021 inter-alia provided recommendation on the open offer made by Carlyle Group to the Shareholders of the Company.

This meeting was held in terms of Regulation 26(6) and 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations"), for the purpose of providing reasoned recommendation on open offer made by Carlyle Group.

The Independent Directors in their Meeting held on March 24, 2021 inter-alia:

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

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

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

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

The details on familiarisation programme are disclosed on the website of the Company at https://www.sequent.in/pdf/independent-director/Familarization_Programme_2020-2021.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

Skill Set	Manish Gupta	Sharat Narasapur	Kamal Sharma	Milind Sarwate	Kausalya Santhanam	Neeraj Bharadwaj	Rahul Mukim	Fabian Kausche	Gregory Andrews
Pharmaceutical Industry Experience	✓	✓	✓	✓	✓	✓	X	✓	✓
Global Regulatory Requirements	✓	✓	✓	X	✓	X	X	✓	X
Knowledge about Peer Companies	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrepreneurship	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environment/ Sustainability/ Corporate Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy & Business Development	✓	✓	✓	✓	✓	✓	✓	✓	✓
Quality Assurance	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, 2021, the Board met 9 (nine) times and the attendance of each Director at Board meetings and the annual general meeting is given below.

Name of the Director	No. of Board Meetings held during the period in which the said Director was on Board	Attendance at the Board Meetings	Attendance at the last AGM
Mr. Manish Gupta, Managing Director	9	9	Present
Mr. Sharat Narasapur, Joint Managing Director	9	9	Present
Dr. Kausalya Santhanam, Independent Director	9	9	Present
Mr. Narendra Mairpady, Independent Director (ceased to be a Director on July 31, 2020)	3	3	NA
Dr. S Devendra, Non-Executive Director (ceased to be a Director on August 17, 2020)	5	5	NA
Mr. KEC Rajakumar, Non-Executive Director (ceased to be a Director on August 17, 2020)	5	5	NA
Mr. Neeraj Bharadwaj, Non-Executive Director (appointed w.e.f. August 17, 2020)	3	3	Present
Mr. Rahul Mukim, Non-Executive Director (appointed w.e.f. August 17, 2020)	3	3	Present
Dr. Gopakumar Nair, Chairperson & Independent Director (ceased to be a Director on August 25, 2020)	6	6	Present
Mr. Milind Sarwate, Independent Director (appointed w.e.f. August 25, 2020)	3	3	NA
Dr. Kamal Sharma, Chairperson & Independent Director (appointed w.e.f. August 25, 2020)	3	3	NA
Mr. Gregory Andrews, Non-Executive Director (appointed w.e.f. November 06, 2020)	2	2	NA
Dr. Fabian Kausche, Non-Executive Director (appointed w.e.f. December 14, 2020)	1	1	NA

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 Agreement as entered with the Stock Exchange/ Regulations.

The Audit Committee has the following responsibilities/ powers:

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
22. To review the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments 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;

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, 2021 are:

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

During the year ended March 31, 2021, 6 (Six) Audit Committee Meetings were held on May 08, 2020, May 12, 2020, July 30, 2020, August 12, 2020, November 06, 2020 and February 03, 2021. The Company Secretary of the Company also 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 the Committee	No. of Meetings attended
Dr. Gopakumar Nair, Independent Director (ceased to be a Member on August 25, 2020)	Chairperson	4	4
Dr. Kausalya Santhanam, Independent Director (ceased to be a Member on August 25, 2020)	Member	4	4
Mr. Narendra Mairpady, Independent Director (ceased to be a Member on July 31, 2020)	Member	3	3
Dr. S. Devendra, Non-Executive Director (ceased to be a Member on August 17, 2020)	Member	1	1
Mr. Milind Sarwate, Independent Director (appointed w.e.f. August 25, 2020)	Chairperson	2	2
Mr. Rahul Mukim, Non-Executive Director (appointed w.e.f. August 17, 2020)	Member	2	2
Dr. Kamal Sharma, Independent Director (appointed w.e.f. August 25, 2020)	Member	2	2

4. Nomination and Remuneration Committee

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

Terms of reference

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

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

Composition of Nomination and Remuneration Committee (NRC)

As on date, 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, 2021 are:

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

During the year ended March 31, 2021, 6 (Six) NRC Meetings were held on July 30, 2020, August 17, 2020, August 25, 2020, October 07, 2020, December 14, 2020 and March 01, 2021. The Company Secretary of the Company also 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 the Committee	No. of Meetings attended
Dr. Kausalya Santhanam, Independent Director (ceased to be a Member on August 25, 2020)	Chairperson	3	3
Mr. Narendra Mairpady, Independent Director (ceased to be a Member on July 30, 2020)	Member	1	1
Dr. S Devendra, Non-Executive Director (ceased to be a Member on August 17, 2020)	Member	1	1
Dr. Gopakumar Nair, Independent Director (ceased to be a Member on August 25, 2020)	Member	3	3
Mr. Milind Sarwate, Independent Director (appointed w.e.f. August 25, 2020)	Chairperson	3	3
Dr. Kamal Sharma, Independent Director (appointed w.e.f. August 25, 2020)	Member	3	3
Mr. Neeraj Bharadwaj, Non-Executive Director (appointed w.e.f. August 25, 2020)	Member	3	3

Remuneration Policy

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

Performance evaluation criteria for independent Board of Directors.

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

The questionnaire is structured to embed various parameters based on which the performance of Board can be evaluated. Customised questionnaires are formulated for evaluating performance of the Board, its Committees, Chairperson of the Board, and other individual Directors (including Independent Directors).

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

Remuneration paid to Directors

(₹ in Millions)

Name of the Director	Salary	Perquisites	Sitting Fees	Total
Mr. Manish Gupta, Managing Director	17.15	94.73	-	111.88
Mr. Gopakumar Nair, Independent Director	-	-	0.73	0.73
Mr. Sharat Narasapur, Joint Managing Director	-	-	-	-
Dr. Kausalya Santhanam, Independent Director	-	-	1.23	1.23
Mr. Narendra Mairpady, Independent Director	-	-	0.36	0.36
Dr. S. Devendra, Non-Executive Director	-	-	0.50	0.50
Mr. KEC Rajakumar, Non-Executive Director	-	-	0.50	0.50
Dr. Kamal Sharma, Independent Director	-	-	0.90	0.90
Mr. Milind Sarwate, Independent Director	-	-	1.00	1.00
Mr. Gregory Andrews, Non-Executive Director	-	-	0.20	0.20
Dr. Fabian Kausche, Non-Executive Director	-	-	0.10	0.10

Note: Total remuneration of Mr. Manish Gupta excludes Company's contribution to Provident Fund of ₹0.93 Mn. Mr. Manish Gupta also received remuneration of ₹17.68 Mn from Alivira Animal Health Limited, a Wholly-Owned Subsidiary of the Company for the financial year 2020-21. Mr. Sharat Narasapur received remuneration of ₹31.65 million from Alivira Animal Health Limited, a Wholly-Owned Subsidiary of the Company for the financial year 2020-21.

As per the policy of the Company, a notice period of 3 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.

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.

During the financial year 2020-21, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fees for attending the Meetings of Board and committees of the Company. The Company pay 0.1 Mn to the Non-Executive Directors for attending a Meeting of the Board and Committees of the Company. During the year, the sitting fees for attending the Meeting of the Committees was revised from 0.02 Mn to 0.1 Mn.

The Shareholders also approved payment of commission to Non-Executive Directors upto 2% of the net profits of the Company for that financial year computed in the manner provided in Section 198 of the Act. The said commission of 2% of net profits shall be divided amongst the Non-Executive Directors in such proportion as may be determined by the Board of Directors from time to time.

Stock options

The details of Stock Options held by Mr. Manish Gupta, Managing Director and Mr. Sharat Narasapur, Joint Managing Director under SeQuent Employee Stock Option Scheme 2010 and SeQuent Scientific Employee Stock Option Scheme 2020 as on March 31, 2021 are given as under:

Name of Executive Director	Mr. Manish Gupta, Managing Director	Mr. Sharat Narasapur, Joint Managing Director
Options granted under SeQuent Employee Stock Option Scheme 2010	25,00,000	5,00,000
Options vested under above scheme	25,00,000	3,12,500
Options exercised	21,25,000	3,12,500
Options cancelled	-	1,87,500
Options held	3,75,000	-
Options granted under Sequent Scientific Employee Stock Option Scheme 2020	40,00,000	5,00,000
Options vested under above scheme	None	None

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 date, 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, 2021 are as under:

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

During the year ended March 31, 2021, 1 (One) Meeting was held on March 24, 2021.

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

Member	Chairperson / Member	No. of meetings held	No. of meetings attended
Mr. Rahul Mukim, Non-Executive Director (appointed w.e.f. August 25, 2020)	Chairperson	1	1
Mr. Manish Gupta, Managing Director (appointed w.e.f. July 30, 2020)	Member	1	1
Mr. Milind Sarwate, Independent Director (appointed w.e.f. August 25, 2020)	Member	1	1

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, 2021. There were no complaints pending as on March 31, 2021.

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

6. Corporate Social Responsibility Committee (CSR)

As on date, CSR 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, 2021:

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

During the year ended March 31, 2021, 2 (Two) CSR Committee Meetings were held. These Meetings were held on May 12, 2020 and March 12, 2021.

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 the Committee	No. of Meetings attended
Dr. Gopakumar Nair, Independent Director (ceased to be a Member on August 25, 2020)	Chairperson	1	1
Dr. Kausalya Santhanam, Independent Director (ceased to be a Member on August 25, 2020)	Member	1	1
Mr. Manish Gupta, Managing Director (ceased to be a Member on August 25, 2020)	Member	1	1
Dr. Kamal Sharma, Independent Director (appointed w.e.f. August 25, 2020)	Chairperson	1	1
Mr. Rahul Mukim, Non-Executive Director (appointed w.e.f. August 25, 2020)	Member	1	1
Mr. Sharat Narasapur, Joint Managing Director (appointed w.e.f. August 25, 2020)	Member	1	1

Terms of Reference:

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.

7. Risk Management Committee

The Risk Management Committee was constituted by the Board on July 30, 2020 in terms of Regulation 21 of the Listing Regulations with Mr. Manish Gupta, Managing Director, Mr. Sharat Narasapur, Joint Managing Director and Mr. Tushar Mistry, Chief Financial Officer as Members.

The Risk Management Committee was re-constituted by the Board on August 25, 2020 with Mr. Neeraj Bharadwaj, Non-Executive Director, Mr. Milind Sarwate, Independent Director and Mr. Tushar Mistry, Chief Financial Officer as Members of the Committee.

During the year ended March 31, 2021, 1 (One) Meeting of Risk Management Committee was held on March 30, 2021 and all the Members attended the Meeting.

8. Ethics and Governance Committee

The Ethics and Governance Committee was voluntarily constituted by the Board on February 03, 2021. As on date, the Committee Members are Dr. Kausalya Santhanam, Independent Director, Mr. Rahul Mukim, Non-Executive Director and Mr. Prasad Lad, VP-HR & Admin.

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.

   During the year ended March 31, 2021, 1 (One) Meeting of Ethics and Governance Committee was held on March 24, 2021 and all the Members attended the Meeting.

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

9. Board General Committee

As on date, the following are the Members of the Board General Committee

1. Mr. Manish Gupta-Member
2. Mr. Sharat Narasapur-Member

The Committee was constituted to carry out the routine business operations with various banks/financial institutions in accordance with the powers delegated by the Board to the Committee.

10. 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
2017-18	Thursday, September 27, 2018 at 11:30 A.M.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra – 400 606	• To approve the continuation of the current term of Dr. Gopakumar Nair as an Independent Director of the Company
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 re-appointment of Dr. Kausalya Santhanam as an Independent Director of the Company • To approve 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 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

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

Details of resolutions passed through Postal Ballot:

During the year under review, 3 (Three) Postal Ballot process took place in which 9 (Nine) Ordinary Resolutions and 8 (Eight) 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 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 ('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, Practicing 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 the act 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 2020-21 is provided herein below:

Postal Ballot No. 1

Date of Postal Ballot Notice: August 12, 2020

Voting Period: August 20, 2020 to September 18, 2020

Date of Approval by the Members: September 18, 2020

Date of Declaration of Result: September 18, 2020

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	Consolidation of shareholding in Provet Veteriner Urunleri San. Ve Tic. A. S., Turkey (Provet) and to make Provet a wholly owned subsidiary of the Company	Special	19,23,17,775	19,13,25,198	99.4839	9,92,577	0.5161
2	Sale of investments made by the Company in the equity shares of Strides Pharma Science Limited	Special	19,23,17,600	19,12,72,932	99.4568	10,44,668	0.5432
3	Sale of Investments made by the Company in the equity shares of Strides Pharma Science Limited to Related Parties	Ordinary	5,26,74,960	5,16,29,648	98.0155	10,45,312	1.9845

Postal Ballot No. 2

Date of Postal Ballot Notice: December 14, 2021

Voting Period: December 19, 2020 to January 17, 2021

Date of Approval by the Members: January 17, 2021

Date of Declaration of Result: January 19, 2021

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. Neeraj Bharadwaj as a Non-Executive Non-Independent Director of the Company	Ordinary	18,82,09,005	18,82,01,956	99.9963	7,049	0.0037
2	Appointment of Mr. Rahul Mukim as a Non-Executive Non-Independent Director of the Company	Ordinary	18,82,09,005	18,80,76,061	99.9294	1,32,944	0.0706
3	Appointment of Dr. Kamal Sharma as an Independent Director of the Company	Ordinary	18,82,09,005	18,82,06,685	99.9988	2,320	0.0012
4	Appointment of Mr. Milind Sarwate as an Independent Director of the Company	Ordinary	18,82,09,005	18,59,20,715	98.7842	22,88,290	1.2158
5	Appointment of Mr. Gregory Andrews as a Non-Executive Non-Independent Director of the Company	Ordinary	18,82,08,804	18,82,06,483	99.9988	2,321	0.0012

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	%
6	Appointment of Dr. Fabian Kausche as a Non-Executive Non-Independent Director of the Company	Ordinary	18,82,08,804	18,82,06,483	99.9988	2,321	0.0012
7	Payment of Commission to Non-Executive Directors of the Company	Special	18,82,08,954	17,36,20,305	92.2487	1,45,88,649	7.7513
8	Revision in remuneration of Mr. Manish Gupta, Managing Director of the Company	Special	18,61,98,504	18,28,90,248	98.2233	33,08,256	1.7767
9	Grant of Employee Stock Options to Employees of the Company	Special	18,82,09,004	17,26,09,114	91.7114	1,55,99,890	8.2886
10	Grant of Employee Stock Options to Employees of Subsidiaries	Special	18,82,09,004	17,26,07,829	91.7107	1,56,01,175	8.2893
11	Grant of options of more than 1% of the issued capital to Mr. Manish Gupta, Managing Director of the Company	Special	18,61,98,382	17,05,96,157	91.6206	1,56,02,225	8.3794
12	Increase in Authorised Share Capital of the Company	Ordinary	18,82,09,004	18,46,84,871	98.1275	35,24,133	1.8725
13	Alteration of Memorandum of Association and Articles of Association of the Company	Special	18,82,08,432	18,46,77,939	98.1242	35,30,493	1.8758

Postal Ballot No. 3

Date of Postal Ballot Notice: February 08, 2021

Voting Period: February 13, 2021 to March 14, 2021

Date of Approval by the Members: March 14, 2021

Date of Declaration of Result: March 16, 2021

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	Re-classification of Promoters/ Promoters Group from "Promoter" category to "Public" category	Ordinary	16,97,58,044	16,97,53,241	99.9972	4,803	0.0028

11. Means of Communication:

a) 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.

b) The results are published generally in Financial Express (English) and Mumbai Lakshadeep (Marathi) newspapers.

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

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

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

f) 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.

12. Disclosures:

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

The Company has formulated policy for Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries called as SeQuent Scientific Limited - Policy on Related Party Transactions and the same is displayed on website of the Company at http://www.sequent.in/pdf/policies/Sequent_Policy%20on%20RPT%20&%20Material%20Subsidiary_2019.pdf)

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

iii. 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.

iv. The Company had appointed Pricewaterhousecoopers Services LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2020-21. The reports of Internal Auditors are placed before the Audit Committee on a quarterly basis and the risk assessment and mitigation recommendations forms part of their presentation to the Audit Committee.

v. Pursuant to provisions of Section 177(9) of the 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.

Details of Vigil Mechanism (Whistle Blower Mechanism) are provided in the Board's Report.

vi. During the year ended March 31, 2021, 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.

vi. 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.

vii. 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 complaint was pending as on March 31, 2021.

13. Details of Shareholding of Non-Executive Directors:

Name	Designation	No. of shares held as at March 31, 2021
Dr. Kamal Sharma	Chairperson and Independent Director	NIL
Mr. Milind Sarwate	Independent Director	NIL
Dr. Kausalya Santhanam	Independent Director	NIL
Mr. Neeraj Bharadwaj	Non-Executive Director	NIL
Mr. Rahul Mukim	Non-Executive Director	NIL
Dr. Fabian Kausche	Non-Executive Director	NIL
Mr. Gregory Andrews	Non-Executive Director	NIL

14. General shareholder information

AGM: Date, Time and Venue	Tuesday, September 21, 2021 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 01 to March 31
First Quarter Results	On or before August 14, 2021
Second Quarter Results	On or before November 14, 2021
Third Quarter Results	On or before February 14, 2022
Fourth Quarter Results	On or before May 30, 2022
Dividend Payment	The final dividend shall be paid/credited within 30 days from the date of approval of the members.
Record Date	10th September, 2021
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 2021-22 to the Stock Exchanges
Registrar & Transfer Agents	KFin Technologies Private Limited Karvy Selenium, Tower - B, Plot No. 31 & 32, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032
Share transfer system	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

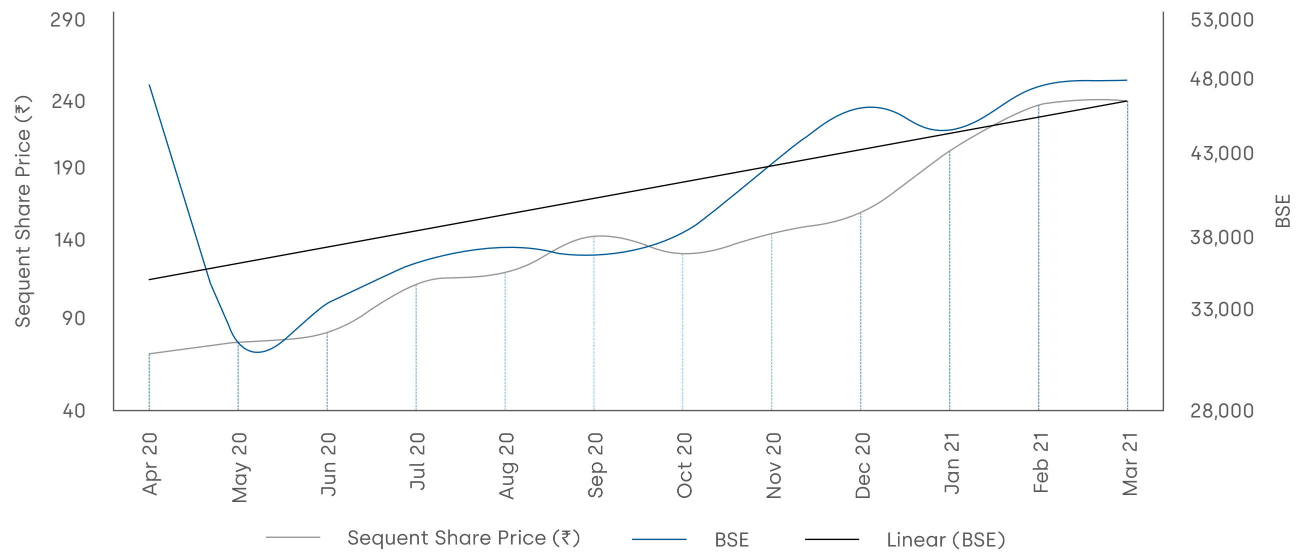
Market Price Data (High, Low during each month in financial year 2020-21)

(Amt. in ₹)

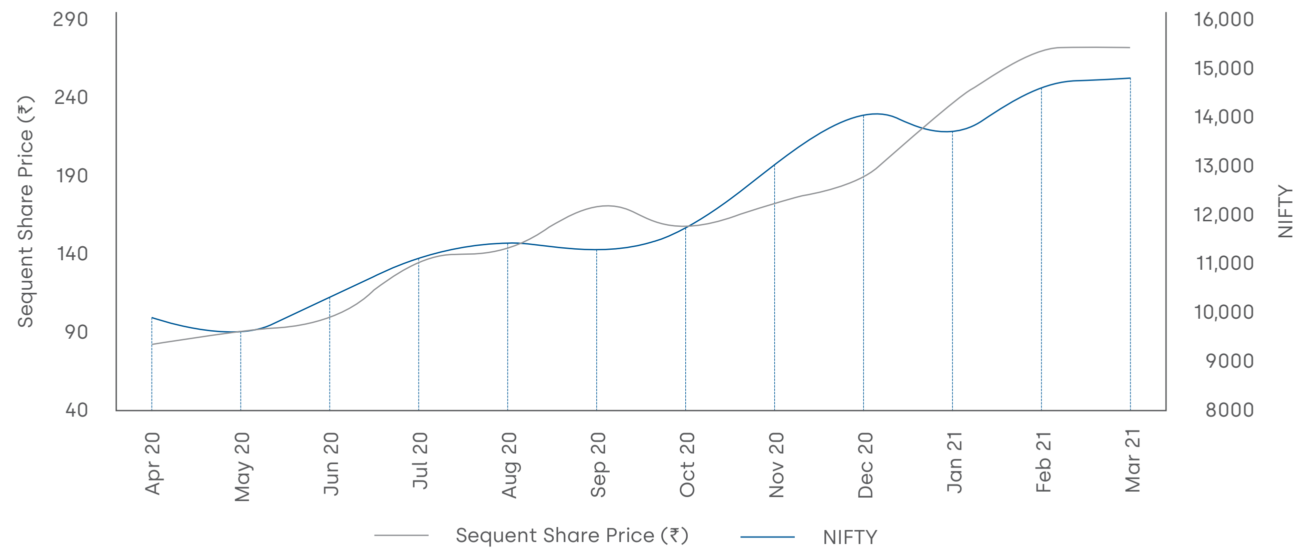
Month	BSE		NSE	
	High	Low	High	Low
April 2020	82.15	69.90	81.95	69.00
May 2020	88.00	73.55	86.50	73.25
June 2020	99.90	83.15	99.85	83.00
July 2020	126.25	91.80	126.20	91.65
August 2020	145.45	120.10	145.55	118.95
September 2020	162.40	123.40	162.75	123.15
October 2020	168.80	138.50	168.75	138.60
November 2020	166.75	135.50	166.80	136.85
December 2020	179.00	151.00	179.00	151.00
January 2021	230.00	168.60	229.80	169.10
February 2021	265.00	204.50	265.00	205.00
March 2021	255.00	214.00	254.90	214.50

Performance in Share comparison to BSE and NSE Indices

SEQUENT vs BSE



SEQUENT vs NIFTY



Distribution Schedule as on March 31, 2021

Range	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% of Amount
1-5000	59630	95.69	13651121	27302242.00	5.50
5001- 10000	1319	2.12	4878199	9756398.00	1.96
10001- 20000	672	1.08	4971863	9943726.00	2.00
20001- 30000	237	0.38	2979811	5959622.00	1.20
30001- 40000	94	0.15	1694476	3388952.00	0.68
40001- 50000	61	0.09	1404829	2809658.00	0.57
50001- 100000	135	0.22	4906584	9813168.00	1.98
100001 & Above	170	0.27	213884112	427768224.00	86.11
Total:	**62318**	**100.00**	**248370995.00**	**496741990.00**	**100.00**

Bifurcation of shares held in physical and demat as on March 31, 2021

Particulars of Equity Shares	Equity Shares of ₹2 each	
	Number	% of Total
NSDL	23,18,08,659	93.33
CDSL	1,65,24,806	06.65
Sub-Total	248,333,465	99.99
Physical	37,530	0.02
Total	**248,370,995**	**100.00**

Shareholding pattern of Equity Shares as on March 31, 2021

Category	Number of Shareholders	Number of Shares held	% to total paid up
Promoters & Promoter Group Companies	7	13,37,65,588	53.86
Bodies Corporate	595	1,71,82,443	6.92
Banks / Mutual Funds/ Financial Institutions (FIs)	8	66,46,268	2.68
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	52	3,26,70,460	13.15
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	1,440	27,31,602	1.10
Resident Individuals	58,916	4,78,79,674	19.28
Directors (Excluding promoter directors) & their relatives	2	22,72,550	0.91
Alternate Investment Fund	7	13,25,213	0.53
Trusts	8	31,448	0.01
Others			
(HUF/IEPF/ESOP Trust/ Clearing Members)	1,283	38,65,749	1.56
Total	**62,318**	**248,370,995**	**100.00**

Dematerialisation of shares and liquidity:
The Company's shares are tradable compulsorily in dematerialised form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Registrar and Share Transfer Agent. As on March 31, 2021, 248,333,465 shares representing 99.98% of the paid-up share capital of the Company were held in dematerialised mode.

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 also acts as an Independent Director of AAHL India and Dr. Kausalya Santhanam, Independent Director of the Company also acts as 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 not issued GDRs / ADRs / Warrants or any convertible instruments, as on date.

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

a) SeQuent Scientific Employee Stock Option Plan 2010

An Employee Stock Option Plan titled "SeQuent Scientific Employee Stock Option Plan 2010" (the "SeQuent ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines") as amended from time to time, pursuant to a Special Resolution passed by the Shareholders of the Company on March 25, 2008 and further modified by the Members on May 24, 2010, August 2, 2014 and September 24, 2015. The total number of options available under the Scheme is 7% of the total paid up capital of the Company. This ESOP Scheme is managed through a Trust.

During the year under review, the Nomination and Remuneration Committee in its meeting held on August 17, 2020 has approved grant of 1,11,600 options under SSL ESOP Scheme 2010 at an exercise price of ₹40 per option to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares.

Details with respect to Employee Stock Options under the ESOP Scheme as on March 31, 2021 are provided in the table below:

Sr. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1	Total number of options outstanding at the beginning of the year	41,38,500
2	Total number of options granted under ESOP Scheme during the Year	1,11,600
3	Options vested during the year	23,13,750
4	Options exercised during the year	34,43,500
5	Options lapsed or forfeited during the year	2,20,700
6	Total number of options outstanding at the end of the year	5,85,900

Further, in terms of the SeQuent Employee Option Scheme, 23,13,750 outstanding unvested options vested on September 12, 2020 consequent to change in control triggered by the acquisition of majority stake by the Carlyle Group in the Company on August 17, 2020.

b) SeQuent Scientific Limited Employees Stock Option Plan 2020

During the year, the Board of Directors ("the Board") of the Company at its meeting held on December 14, 2020, based on the recommendation of the Nomination and Remuneration Committee, approved Sequent Scientific Limited Employees Stock Option Plan 2020 ("SeQuent ESOP 2020") under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted should not exceed 1,85,00,000 (One Crore Eighty-Five lakhs) options exercisable into equivalent number of Equity Shares of ₹2/- each fully paid up of the Company.

The synopsis of the Scheme is as under:

i) Overall limit of 1,85,00,000 Options to be split into 3 types of options:
   a) 1,00,00,000 (One Crore) Class A Options
   b) 60,00,000 (Sixty Lakhs) Class B Options
   c) 25,00,000 (Twenty-Five Lakhs) Class C Options

ii) The Scheme is extended to Permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board and / or permitted under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'Eligible Employees') but does not include an employee who is a promoter or a person belonging to the promoter group and a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

iii) Permanent employee(s) and Directors of any existing and future subsidiary company(ies) of the Company whether in or outside India, as may be permissible under the Regulations from time to time,

iv) The first lot of Grants was proposed to be issued at an Exercise Price of ₹86/- per option by the Nomination and Remuneration Committee. NRC will decide on the exercise price for future grants.

v) The Company sought and received shareholders' approval for the said Scheme through Postal Ballot on January 17, 2021.

vi) Under the Scheme, 73,50,000 Class A Options were granted to eligible employees on March 01, 2021 at an exercise price of ₹86/- per option. None of the options granted are vested.

Details with respect to Employee Stock Options under the ESOP Scheme as on March 31, 2021 are provided in the table below:

Sr. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1	Total number of options outstanding at the beginning of the year	Nil
2	Total number of options granted under ESOP Scheme during the Year	73,50,000
3	Options vested during the year	Nil
4	Options exercised during the year	Nil
5	Options lapsed or forfeited during the year	Nil
6	Total number of options outstanding at the end of the year	73,50,000

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

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: ₹11.78 Mn.

Particulars	₹ In Millions
For Statutory Audit	8.71
For any other services including reimbursement of expenses	3.09

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 Practicing Company Secretary

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 an **'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 and Ethics ("Code") for all Board Members and Senior Management Personnel of the Company.

The Code of Conduct is also posted on the website of the Company. All Board Members and Senior Management Personnel have confirmed compliance with the Code for the financial year 2020-21.

A declaration to this effect signed by Mr. Manish Gupta, 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 Personnel, as applicable to them, in respect of the financial year 2020-21.

Note: The information given herein above is as of March 31, 2021, unless otherwise stated.

For and on behalf of the Board of Directors

Place: Thane
Date: June 30, 2021

Manish Gupta
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, 2021 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. 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.

Date: June 30, 2021
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554C000549318

Signature:-
Name:- **Nilesh Shah (Partner)**
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 March 31, 2021, 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.

Date: June 30, 2021
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554C000555148

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

Note: In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, 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, 2021, their consolidated profit including other comprehensive income, 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.

Emphasis of Matter

We draw attention to Note 52 of the consolidated financial statements, in respect of restated goodwill and foreign currency translation reserve as at April 1, 2019 and March 31, 2020 and restated Other Comprehensive Income for the year ended March 31, 2020, in consolidated financial statements.

Our opinion is not modified in respect of this matter.

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, 2021. 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
a) Impairment assessment of Goodwill including intangible assets (as described in note 4 and 5 of the consolidated financial statements)	
The Group has goodwill of ₹ 1,742.01 million and other intangible assets of ₹ 433.39 million respectively as at March 31, 2021 which represents goodwill/intangible assets acquired through various business combinations and allocated to cash generating units of the Group. As disclosed in note 4 and 5, 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, 2021 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. 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.	We performed the following audit procedures, among others: • We obtained an understanding, evaluated the design, implementation 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 evaluated the assumptions applied to key inputs such as future sales volume, sales price, operating costs, terminal value growth rates, which are included by comparing these inputs with assumptions made by the management in prior years. • We tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units. • We involved valuation experts to assist in evaluating management's key assumptions used in the valuations and calculation. • We assessed the disclosures provided by the Group in relation to its annual impairment test in notes to the consolidated financial statements.
b) Revenue Recognition under Ind AS 115, "Revenue from contracts with customers" (as described in notes 33 and 53 of the consolidated financial statements)	
The Group recognises revenue from sale of API, Intermediates and Formulations based on the terms and conditions of transactions which vary with different customers operating in different geographies. Revenue is one of the key performance indicators of the Group. The management detected certain instances wherein revenue in respect of certain sales transactions of the Company and a subsidiary was recognized on dates earlier to those allowed by the Group's revenue recognition policy and carried out modification to certain underlying documents related to revenue leading to non-adherence with the Group's accounting policy. The management performed a detailed review including examination by an external independent agency and traced all cases of such non-adherence during the current financial year, wherein recognition of revenue was accelerated during interim periods in the current financial year. The Group has recorded appropriate adjustments in this regard as at March 31, 2021. Considering the above matter requiring significant audit attention, we have determined this to be a key audit matter.	We performed the following audit procedures, among others: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the revenue recognition. • We read and understood the Group's accounting policy for recognition of revenue as per Ind AS 115. • We read the notes 33 and 53 of the consolidated financial statements, minutes of meeting of board and audit committee and the report submitted by the external independent agency, addressing the specific concern in revenue recognition procedure. • We performed analytical procedures of disaggregated data of revenue transactions during the audit period to identify any unusual trends. • 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 performed a review of the report of the independent agency and the adjustments recorded by management at the year end. • We requested for and obtained independent balance confirmations from the Group's customers on sample basis and tested reconciliations wherever required.

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 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, 2021 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 14 subsidiaries, whose financial statements include total assets of ₹ 11,825.00 million as at March 31, 2021, and total revenues of ₹ 8,235.50 million and net cash outflows of ₹ 24.60 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.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 5 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 301.30 million as at March 31, 2021, and total revenues of ₹ 36.60 million and net cash inflows of ₹ 0.60 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

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, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" 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, 2021 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 44 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, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021.

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

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 21093649AAAACC6280

Place of Signature: Mumbai
Date: June 30, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S 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, 2021, 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 financial control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's 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 these 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 control 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, in our opinion, the following material weakness have been identified in the operating effectiveness of the Group's internal financial controls over financial reporting with reference to these consolidated financial statements as at March 31, 2021:

The Group did not have appropriate internal control system for fraud prevention and detection for revenue recognition and internal control over revenue, as evidenced by instances of certain non-adherences of the Group's revenue recognition policy and instances of modifications to certain underlying documents, resulting in early revenue recognition, which could potentially result in material misstatement in Revenue and Profit from Operations.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group has, in all material respects, maintained internal financial controls with reference to consolidated financial statements as of March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matters

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2021, and 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. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as at March 31, 2021 and this report does not affect our report dated June 30, 2021, which expressed an unqualified opinion on those consolidated financial statements.

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

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 21093649AAAACC6280

Place of Signature: Mumbai
Date: June 30, 2021

Consolidated Balance Sheet

as at 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Notes	As at 31 March 2021	As at 31 March 2020*	As at 01 April 2019*
A	**ASSETS**				
1.	**Non-current assets**				
	(a) Property, plant and equipment	3	3,190.73	3,449.07	2,270.30
	(b) Capital work-in-progress		287.83	110.65	172.00
	(c) Goodwill	4	1,742.01	1,823.18	1,841.38
	(d) Other intangible assets	5	433.39	493.45	501.39
	(e) Intangible assets under development		10.52	23.59	54.15
	(f) Financial assets				
	(i) Investments	6	769.39	1,312.88	1,796.50
	(ii) Other financial assets	7	48.94	68.03	49.77
	(g) Deferred tax assets (net)	25	205.07	232.40	142.56
	(h) Income tax assets (net)	8	91.76	56.81	45.81
	(i) Other non-current assets	9	10.10	15.03	636.70
	Total non-current assets		**6,789.74**	**7,585.09**	**7,510.56**
2.	**Current assets**				
	(a) Inventories	10	2,643.57	2,194.17	2,001.03
	(b) Financial assets				
	(i) Investments	11	56.55	401.79	4.70
	(ii) Trade receivables	12	3,461.37	3,187.64	2,782.54
	(iii) Cash and cash equivalents	13	537.44	680.96	677.89
	(iv) Bank balances other than (iii) above	14	24.52	77.29	42.50
	(v) Loans	15	1.90	3.48	6.07
	(vi) Other financial assets	16	107.63	101.53	25.04
	(c) Income tax assets (net)	17	4.53	7.27	5.41
	(d) Other current assets	18	298.34	387.24	454.69
	Total current assets		**7,135.85**	**7,041.37**	**5,999.87**
	Total Assets		**13,925.59**	**14,626.46**	**13,510.43**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a) Equity share capital	19	496.74	496.74	493.74
	(b) Other equity	20	6,779.77	6,374.30	6,204.84
	Equity attributable to owners of the Company		**7,276.51**	**6,871.04**	**6,698.58**
	(c) Non-controlling interest	21	486.65	447.37	402.51
	Total equity		**7,763.16**	**7,318.41**	**7,101.09**
II	**Liabilities**				
	1. **Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	22	937.06	1,500.59	1,478.46
	(ii) Other financial liabilities	23	453.97	668.43	380.33
	(b) Provisions	24	84.37	95.69	81.53
	(c) Deferred tax liabilities (net)	25	69.30	83.22	103.26
	(d) Other non-current liabilities	26	8.69	13.13	22.96
	Total non-current liabilities		**1,553.39**	**2,361.06**	**2,066.54**
	2. **Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	27	1,029.05	1,471.21	1,273.62
	(ii) Trade payables	28	2,295.64	2,203.80	2,093.50
	(iii) Other financial liabilities	29	823.36	881.40	706.06
	(b) Provisions	30	51.45	25.49	20.46
	(c) Current tax liabilities (net)	31	226.55	196.65	77.21
	(d) Other current liabilities	32	182.99	168.44	171.95
	Total current liabilities		**4,609.04**	**4,946.99**	**4,342.80**
	Total liabilities		**6,162.43**	**7,308.05**	**6,409.34**
	Total Equity and Liabilities		**13,925.59**	**14,626.46**	**13,510.43**
	Significant Accounting Policies	2			

The accompanying notes are integral part of these consolidated financial statements

* Restated (refer note 52)

As per our report of even date

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

Per **Vikas Kumar Pansari**
Partner
Membership No: 093649

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer
DIN: 06805265

Sharat Narasapur
Joint Managing Director
DIN: 02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Mumbai, 30 June 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Notes	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	33	13,616.15	11,792.44
II	Other income	34	83.63	100.89
III	**Total income (I+II)**		**13,699.78**	**11,893.33**
IV	**Expenses**			
	(a) Cost of materials consumed	35.a	5,886.65	5,116.99
	(b) Purchases of stock-in-trade	35.b	1,450.19	888.90
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	35.c	(390.27)	44.62
	(d) Employee benefits expense	36	1,872.23	1,650.59
	(e) Finance costs	37	243.83	357.14
	(f) Depreciation and amortisation expenses	38	505.98	506.22
	(g) Other expenses	39	2,676.65	2,388.12
	Total expenses (IV)		**12,245.26**	**10,952.58**
V	**Profit before exceptional items and tax (III-IV)**		**1,454.52**	**940.75**
VI	Exceptional items	40	88.23	-
VII	**Profit before tax (V-VI)**		**1,366.29**	**940.75**
VIII	**Tax expense / (credits)**	41		
	(a) Current tax		320.99	227.44
	(b) Deferred tax		(28.60)	(104.83)
	(c) Current tax of prior period (reversed) / provided		29.38	(2.32)
	Total tax expenses		**321.77**	**120.29**
IX	**Profit after tax (VII-VIII)**		1,044.52	820.46
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		3.60	(7.10)
	(b) Fair value gain / (loss) from investment in equity instruments		1,030.11	(483.68)
	(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		(40.52)	1.26
	B. Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		(127.07)	85.74
	(b) Exchange differences on net investment in foreign operations		(136.02)	(102.30)
	Total other comprehensive expenses (net of tax)		**644.24**	**(506.08)**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**1,688.76**	**314.38**
	Profit for the year attributable to:			
	- Owners of the Company		954.42	699.05
	- Non-controlling interest		90.10	121.41
			1,044.52	**820.46**
	Other comprehensive income / (expenses) for the year attributable to:			
	- Owners of the Company		650.04	(507.97)
	- Non-controlling interest		(5.80)	1.89
			644.24	**(506.08)**
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		1,604.46	191.08
	- Non-controlling interest		84.30	123.30
			1,688.76	**314.38**
	Earnings per equity share (face value of ₹ 2 each)	43		
	(1) Basic (in ₹)		3.87	2.87
	(2) Diluted (in ₹)		3.85	2.85
	Significant Accounting Policies	2		

The accompanying notes are integral part of these consolidated financial statements

* Restated (refer note 52)

As per our report of even date

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

Per **Vikas Kumar Pansari**
Partner
Membership No: 093649

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer
DIN: 06805265

Sharat Narasapur
Joint Managing Director
DIN: 02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Mumbai, 30 June 2021

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities			
Net profit before tax and exceptional items		1,454.52	940.75
Adjustments for:			
Depreciation and amortisation expenses		505.98	506.22
Unrealised forex loss (net)		42.16	54.88
Bad trade receivables written off		30.31	24.16
Allowance for doubtful trade receivables provided / (written back)		(21.32)	1.54
Finance costs		243.83	357.14
Dividend income		(9.95)	(52.64)
Interest income		(6.26)	(15.03)
Miscellaneous income		(7.46)	-
Profit on sale of property, plant and equipment (net)		(6.98)	(1.14)
Gain on sale of investments		(25.79)	(3.65)
Fair value gain on financial instruments at fair value through profit or loss		(0.17)	(4.09)
Property, plant and equipment written off		30.69	-
Lease liability written back (net)		(7.57)	-
Share-based payment to employees		72.34	46.67
Operating profit before working capital changes		**2,294.33**	**1,854.81**
Changes in working capital			
(Increase) in trade receivables, loans and advances and other assets		(394.75)	(508.17)
(Increase) in inventories		(456.17)	(193.14)
(Increase) / decrease in margin money and unpaid dividend accounts		52.77	(34.79)
Increase in trade payables, other payables and provisions		89.29	153.13
Net change in working capital		**(708.86)**	**(582.97)**
Cash generated from operations		**1,585.47**	**1,271.84**
Income taxes paid (net)		(437.93)	(118.54)
Net cash generated from operating activities	A	**1,147.54**	**1,153.30**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		(528.30)	(407.22)
Proceeds from disposal of property, plant and equipment and intangible assets		82.60	7.23
Proceeds from sale of long term investments		1,573.44	0.37
(Purchase) / sale of current investments (net)		357.30	(390.07)
Interest received		6.91	14.35
Dividend received		9.33	52.64
Consideration paid on acquisition of additional share from NCI		(1,404.80)	-
Net cash generated from / (used in) investing activities	B	**96.48**	**(722.70)**

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from financing activities			
Proceeds from stock options exercised by employees		104.49	20.99
Proceeds from long-term borrowings		879.46	852.17
Payment of lease liabilities		(76.27)	(70.84)
Repayment of long-term borrowings		(1,618.30)	(849.05)
Proceeds from / (repayment of) short-term borrowings (net)		(435.31)	27.52
Interest and other borrowing cost paid		(227.50)	(330.52)
Dividend distribution to Non-controlling interest (NCI)		(14.25)	(19.96)
Equity contribution by NCI		0.14	0.42
Dividends paid		-	(48.56)
Dividend distribution tax paid		-	(9.70)
Net cash used in financing activities	C	**(1,387.54)**	**(427.53)**
Net increase / (decrease) in cash and cash equivalents during the year	(A+B+C)	**(143.52)**	**3.07**
Cash and cash equivalents at beginning of the year (refer note 13)		680.96	677.89
Cash and cash equivalents at end of the year (refer note 13)		**537.44**	**680.96**

Note: The consolidated statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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 **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN: 06805265

Sharat Narasapur
Joint Managing Director
DIN: 02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2021

(a) Equity share capital

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	248,370,995	496.74	246,870,995	493.74
Issued during the year	-	-	1,500,000	3.00
Balance at the end of the year	**248,370,995**	**496.74**	**248,370,995**	**496.74**

(b) Other equity

	Reserves & surplus (note 20)												
	Attributable to equity shareholders												
	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 2019 *	**24.80**	**8,490.36**	**188.85**	**152.52**	**(161.34)**	**(398.64)**	**(159.70)**	**(1,159.47)**	**(1,402.64)**	**630.10**	**6,204.84**	**402.51**	**6,607.35**
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	(24.62)	-	(24.62)	(4.07)	(28.69)
Restated as at 01 April 2019	**24.80**	**8,490.36**	**188.85**	**152.52**	**(161.34)**	**(398.64)**	**(159.70)**	**(1,159.47)**	**(1,427.26)**	**630.10**	**6,180.22**	**398.44**	**6,578.66**
Profit for the year	-	-	-	-	-	-	-	-	699.05	-	699.05	121.41	820.46
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	(19.61)	-	-	(4.68)	(483.68)	(507.97)	1.89	(506.08)
Total comprehensive income / (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**(19.61)**	**-**	**-**	**694.37**	**(483.68)**	**191.08**	**123.30**	**314.38**
Recognition of share-based payments	-	-	(47.95)	-	-	-	-	-	-	-	(47.95)	-	(47.95)
Employee stock options issued during the year	-	-	-	-	14.63	-	-	-	-	-	14.63	-	14.63
Non- controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	(63.39)	(63.39)
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	8.56	8.56
Recognition of put option liability during the year	-	-	-	-	-	-	(3.38)	-	-	-	(3.38)	-	(3.38)
Premium on exercise of employee stock options	-	26.50	-	-	-	-	-	-	-	-	26.50	-	26.50
Shares issued during the year to ESOP trust	-	86.96	-	-	(89.96)	-	-	-	-	-	(3.00)	-	(3.00)
Vested ESOP lapsed during the year	-	-	-	74.46	-	-	-	-	-	-	74.46	-	74.46
Equity contribution by NCI shareholders	-	-	-	-	-	-	-	-	-	-	-	0.42	0.42
Dividends paid	-	-	-	-	-	-	-	-	(48.56)	-	(48.56)	(19.96)	(68.52)
Dividend distribution tax	-	-	-	-	-	-	-	-	(9.70)	-	(9.70)	-	(9.70)
Balance as at 31 March 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**

All amounts are in ₹ million unless otherwise stated

	Reserves & surplus (note 20)												
	Attributable to equity shareholders												
	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
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	-	-	(63.24)	-	-	-	-	-	-	-	(63.24)	-	(63.24)
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	-	123.04
Vested ESOP lapsed during the year	-	-	-	0.71	-	-	-	-	-	-	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**

Significant Accounting Policies (refer note2)

The accompanying notes are integral part of these consolidated financial statements

* Restated (refer note 52)

As per our report of even date

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

Per **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN: 06805265

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 2021

1 CORPORATE INFORMATION
SeQuent Scientific Limited (the "Company" or the Parent") 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 together with its subsidiaries herein after referred to as 'Group', is a leading integrated pharmaceutical group with a global footprint, operating in the domains of Animal Health (Active Pharmaceutical Ingredient (APIs) and finished dosage formulations) and analytical services.

The Group is headquartered in Thane, India, with eight manufacturing facilities, based in India, Turkey, Brazil, Spain and Germany.

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 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 Group 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 as stated.

(iv) Basis of consolidation
These consolidated financial statements include financial statements of the Company and all its subsidiaries as specified in note 45. Subsidiaries are all entities over which the Parent has control. The Parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. 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.

Notes
to the consolidated financial statements for the year ended 31 March 2021

(v) 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.

(vi) 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 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 recognised when the Group 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 Group 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 recognised in the period in which the underlying sales are recognised. 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 Group 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

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

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

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

Interest and dividend income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the 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.

Notes

to the consolidated financial statements for the year ended 31 March 2021

(vii) 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**

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 (xviii) Impairment of non-financial assets.

Nature of the assets	Useful life in years
ROU Land	50 - 99
ROU Building	3 - 99
ROU Computers	5
ROU Vehicles	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.

(viii) 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 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 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.

(ix) 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.

(x) Employee benefits

a) Defined contribution plans:

The Group has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Group has no further obligation beyond making the contributions. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when employee renders related service.

b) Defined benefit plans:

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

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

The gratuity scheme is funded by the Group with Life Insurance Corporation of India.

For defined benefit plans, the cost of providing benefit is determined using 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

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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.

(xi) 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.

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

(xii) 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.

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 Group reflect 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 consolidated 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.

No deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate.

(xiii) 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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

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

Nature of the assets	Useful life in years
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.

(xiv) 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

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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 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 / trade marks	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.

(xv) Inventories

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

Costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on First In First Out (FIFO) Basis as follows:

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

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

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(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads based on normal capacity.

(iv) Stock-in-trade: At purchase and other costs incurred in bringing the inventories to their present location and condition.

However, materials and other items held for use in production of inventory are not written down below cost, if the finished product in which they will be used are expected to be sold at or above cost.

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

(xvi) 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.

(xvii) Financial instruments

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

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

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

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

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

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset 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

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using the effective interest rate ('EIR') method, less any impairment loss.

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

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

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

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

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

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

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

(iv) Derecognition of financial assets

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

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

(ii) Financial liabilities at FVTPL

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

(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:

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- 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.

(xviii)Impairment

a) Financial assets

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

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

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

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss. This amount is reflected under the head other expenses in the consolidated statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable:

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

b) Non-financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such impairment

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exists, the recoverable amount of an asset is estimated to determine extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

(xix) 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.

(xx) 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.

(xxi) 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.

(xxii) 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.

(xxiii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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- 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.

(xxiv) Segment reporting

Identification of Segments: Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group. Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group, as a whole. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

(xxv) Exceptional Item:

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

(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 of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

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(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 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 48.

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3 Property, plant and equipment

All amounts are in ₹ million unless otherwise stated

Cost	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Building	ROU-Computer	ROU-Vehicles	ROU-Plant and machinery	Total
Balance as on 31 March 2019	84.88	1.34	1,060.52	39.25	23.81	39.67	1,899.51	112.34	-	-	-	-	-	3,261.32
Transition impact of Ind AS 116	-	-	-	-	-	-	-	-	673.59	413.88	10.81	13.53	18.75	1,130.56
Restated balance at 01 April 2019	**84.88**	**1.34**	**1,060.52**	**39.25**	**23.81**	**39.67**	**1,899.51**	**112.34**	**673.59**	**413.88**	**10.81**	**13.53**	**18.75**	**4,391.88**
Additions	-	-	84.47	12.39	11.01	13.14	263.56	21.31	-	-	-	7.99	22.64	436.51
Effect of foreign currency exchange differences	4.31	(0.24)	(4.35)	(0.32)	(0.08)	(0.11)	1.73	(3.98)	-	2.61	(0.15)	0.71	0.55	0.68
Deletions	-	-	0.39	0.47	0.02	2.06	12.06	11.25	-	-	-	-	-	26.25
Balance as on 31 March 2020	**89.19**	**1.10**	**1,140.25**	**50.85**	**34.72**	**50.64**	**2,152.74**	**118.42**	**673.59**	**416.49**	**10.66**	**22.23**	**41.94**	**4,802.82**
Additions (refer note 2 below)	-	2.37	73.24	6.49	5.79	9.73	161.22	27.28	-	4.58	-	1.59	0.93	293.22
Effect of foreign currency exchange differences	0.24	(0.12)	(23.07)	(1.28)	(0.23)	(0.20)	(21.72)	(13.90)	-	6.29	(0.16)	1.04	1.60	(51.51)
Deletions	-	-	116.17	2.37	3.87	5.84	74.55	16.02	-	26.26	-	5.74	1.20	252.02
Balance as on 31 March 2021	**89.43**	**3.35**	**1,074.25**	**53.69**	**36.41**	**54.33**	**2,217.69**	**115.78**	**673.59**	**401.10**	**10.50**	**19.12**	**43.27**	**4,792.51**

Accumulated depreciation	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Building	ROU-Computer	ROU-Vehicles	ROU-Plant and machinery	Total
Balance as on 01 April 2019	**-**	**0.17**	**146.44**	**16.61**	**15.45**	**24.06**	**738.36**	**49.93**	**-**	**-**	**-**	**-**	**-**	**991.02**
Depreciation expenses for the year (refer note 38)	-	0.06	54.08	4.42	4.27	8.84	226.45	20.98	8.88	39.89	4.03	8.54	7.66	388.10
Effect of foreign currency exchange differences	-	(0.04)	(0.66)	(0.49)	(0.05)	0.01	(2.86)	(1.43)	-	-	(0.05)	0.21	0.21	(5.15)
Deletions	-	-	0.37	0.47	0.01	2.02	9.22	8.13	-	-	-	-	-	20.22
Balance as on 31 March 2020	**-**	**0.19**	**199.49**	**20.07**	**19.66**	**30.89**	**952.73**	**61.35**	**8.88**	**39.89**	**3.98**	**8.75**	**7.87**	**1,353.75**
Depreciation expenses for the year (refer note 38)	-	0.06	54.43	6.08	6.67	9.93	239.17	20.72	8.88	40.03	3.96	8.43	9.48	407.84
Effect of foreign currency exchange differences	-	(0.02)	(5.14)	(1.61)	(0.45)	(0.38)	(20.38)	(7.68)	-	0.17	(0.07)	0.42	0.21	(34.93)
Deletions	-	-	44.95	1.43	3.70	5.64	46.56	11.76	-	3.90	-	5.74	1.20	124.88
Balance as on 31 March 2021	**-**	**0.23**	**203.83**	**23.11**	**22.18**	**34.80**	**1,124.96**	**62.63**	**17.76**	**76.19**	**7.87**	**11.86**	**16.36**	**1,601.78**

Carrying amount	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Building	ROU-Computer	ROU-Vehicles	ROU-Plant and machinery	Total
Balance as on 01 April 2019	**84.88**	**1.17**	**914.08**	**22.64**	**8.36**	**15.61**	**1,161.15**	**62.41**	**-**	**-**	**-**	**-**	**-**	**2,270.30**
Balance as on 01 April 2019 (After adoption of Ind AS 116 Leases)	**84.88**	**1.17**	**914.08**	**22.64**	**8.36**	**15.61**	**1,161.15**	**62.41**	**673.59**	**413.88**	**10.81**	**13.53**	**18.75**	**3,400.86**
Balance as on 31 March 2020	**89.19**	**0.91**	**940.76**	**30.78**	**15.06**	**19.75**	**1,200.01**	**57.07**	**664.71**	**376.60**	**6.68**	**13.48**	**34.07**	**3,449.07**
Balance as on 31 March 2021	**89.43**	**3.12**	**870.42**	**30.58**	**14.23**	**19.53**	**1,092.73**	**53.15**	**655.83**	**324.91**	**2.63**	**7.26**	**26.91**	**3,190.73**

Notes:

1. Refer note 22 and 27 for charge created on the assets.
2. Addition includes lease modification of ₹ 4.58 (31 March 2020 - ₹ Nil).

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All amounts are in ₹ million unless otherwise stated

4 Goodwill

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the year	1,823.18	1,841.38	1,841.38
Effect of foreign currency exchange differences	(81.17)	(18.20)	-
Balance at the end of the year	**1,742.01**	**1,823.18**	**1,841.38**

4.1 Allocation of goodwill to cash-generating units (refer note 52)

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 2021	As at 31 March 2020	As at 01 April 2019
Turkey group	380.11	488.81	532.91
Spain group	679.50	655.43	613.23
Fendigo group	291.76	281.43	263.31
Interchange	149.39	166.66	203.27
N-Vet AB	112.87	102.47	100.28
SeQuent Research Limited	94.53	94.53	94.53
Others	33.85	33.85	33.85
Total	**1,742.01**	**1,823.18**	**1,841.38**

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 2021	As at 31 March 2020	As at 01 April 2019
Discount rate	8% - 24%	8% - 20%	13% - 19%
Long term growth rate	2% - 8%	2% - 5%	2% - 5%

The management believe that any reasonably possible change in the key assumption on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The goodwill is tested for impairment and accordingly no impairment charges were identified for year ended 31 March 2021 (31 March 2020: ₹ Nil).

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 2019	**51.66**	**104.82**	**652.69**	**88.38**	**11.97**	**909.52**
Additions	46.23	9.30	-	-	62.88	118.41
Effect of foreign currency exchange differences	-	0.11	(11.84)	(15.92)	0.82	(26.83)
Deletions	-	2.47	-	-	-	2.47
Balance as on 31 March 2020	**97.89**	**111.76**	**640.85**	**72.46**	**75.67**	**998.63**
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**	**60.63**	**1,007.57**

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Accumulated amortisation	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 01 April 2019	**44.00**	**45.90**	**269.12**	**46.12**	**2.99**	**408.13**
Amortisation expense for the year (refer note 38)	7.66	21.08	63.10	18.71	7.57	118.12
Effect of foreign currency exchange differences	(0.37)	(0.05)	(7.23)	(11.62)	0.61	(18.66)
Deletions	-	2.41	-	-	-	2.41
Balance as on 31 March 2020	**51.29**	**64.52**	**324.99**	**53.21**	**11.17**	**505.18**
Amortisation expense for the year (refer note 38)	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**

Carrying amount	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 01 April 2019	**7.66**	**58.92**	**383.57**	**42.26**	**8.98**	**501.39**
Balance as on 31 March 2020	**46.60**	**47.24**	**315.86**	**19.25**	**64.50**	**493.45**
Balance as on 31 March 2021	**33.97**	**69.97**	**278.89**	**3.45**	**47.11**	**433.39**

6 Non-current investments

		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020	No. of shares	As at 01 April 2019
A	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**							
i)	Strides Pharma Science Limited	₹ 10.00	-	-	3,312,500	1,067.12	3,312,500	1,564.82
ii)	Solara Active Pharma Science Limited	₹ 10.00	552,083	769.13	552,083	245.43	552,083	231.02
iii)	Accions Banc Sabadell	€ 0.13	2,800	0.12	2,800	0.12	2,800	0.31
iv)	Accions Caixabank	€ 1.00	440	0.06	440	0.06	440	0.10
v)	Accions Bantierra	€ 60.11	5	0.03	5	0.02	5	0.02
vi)	Accions Endesa		-	-	-	-	98	0.10
	Total (A)			**769.34**		**1,312.75**		**1,796.37**
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	1,000	0.01
ii)	Tarapur Industrial Manufacturers Association	₹ 10.00	2,000	0.04	2,000	0.04	2,000	0.04
	Total (B)			**0.05**		**0.05**		**0.05**
C	**Investment in government securities carried at amortised cost**							
i)	National Saving Certificate			-		0.02		0.02
ii)	NSC VIII Issue			-		0.06		0.06
	Total (C)			**-**		**0.08**		**0.08**
	Total (A + B + C)			**769.39**		**1,312.88**		**1,796.50**
	Aggregate carrying value of unquoted investments			0.05		0.13		0.13
	Aggregate market value of quoted investments			769.34		1,312.75		1,796.37

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All amounts are in ₹ million unless otherwise stated

7 Other non-current financial assets

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good			
Security deposits	46.21	44.58	41.62
Margin money deposits	-	23.45	8.15
Others	2.73	-	-
Total	**48.94**	**68.03**	**49.77**

8 Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Advance income tax (net of provision: ₹ 178.62) (31 March 2020: ₹ 35.95) (01 April 2019: ₹ 223.51)	91.76	56.81	45.81
	91.76	**56.81**	**45.81**

9 Other non-current assets

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good			
Capital advances	3.18	5.23	11.12
Deposit with government authorities	1.73	1.41	0.64
Prepaid expenses	5.19	8.39	624.94
Total	**10.10**	**15.03**	**636.70**

Note: Prepaid expense include leasehold land amounting to ₹ Nil (31 March 2020: ₹ Nil) (01 April 2019: ₹619.30) for Vizag, Mahad, Tarapur and Ambernath plants.

10 Inventories

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Raw materials and packing materials	917.14	789.76	644.72
Goods-in-transit	0.80	74.57	0.96
	917.94	**864.33**	**645.68**
Work-in-progress and intermediates	414.94	388.32	365.61
Finished goods	461.67	364.14	449.63
Stock-in-trade	648.20	508.22	523.22
Goods-in-transit	196.80	65.40	13.39
Fuel	3.76	3.28	2.46
Consumable	0.26	0.48	1.04
Total	**2,643.57**	**2,194.17**	**2,001.03**

Note:
During the year ended 31 March 2021 ₹ 47.75 (31 March 2020: ₹ 35.29) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

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All amounts are in ₹ million unless otherwise stated

11 Current investments

		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020	No. of shares	As at 01 April 2019
A	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**							
i)	Transchem Limited	₹ 10	26,077	0.45	26,077	0.42	26,077	0.62
ii)	Techindia Nirman Limited	₹ 10	2,280	0.01	2,280	- *	2,280	0.01
iii)	Agritech (India) Limited	₹ 10	6,300	0.19	6,300	0.13	6,300	0.32
	Total (A)			**0.65**		**0.55**		**0.95**
B	**Other unquoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**							
i)	Agrodutch Industries Limited	₹ 10	36,250	- *	36,250	- *	36,250	- *
ii)	Aditya Investment & Communication Limited	₹ 10	58,800	- *	58,800	- *	58,800	- *
	Total (B)			**-**		**-**		**-**
C	**Unquoted mutual funds - carried at fair value through profit or loss**							
i)	Axis Treasury Advantage Fund - Regular Plan (Growth)	₹ 1,000	-	-	3,633	30.75	-	-
ii)	Aditya Birla Sun Life Money Manager - Regular Plan (Growth)	₹ 100	-	-	76,196	20.51	-	-
iii)	Aditya Birla Sun Life Saving Fund - Regular Plan (Growth)	₹ 100	-	-	22,980	9.14	-	-
iv)	Aditya Birla Sun Life Liquid Fund - Regular Plan (Growth)	₹ 100	22,776	7.50	253,825	80.65	-	-
v)	IDFC Low Duration Fund - Regular Plan (Growth)	₹ 10	-	-	891,711	25.47	-	-
vi)	ICICI Prudential Money Market Fund - Regular Plan (Growth)	₹ 100	-	-	73,756	20.47	-	-
vii)	ICICI Prudential Ultra Short Term Fund - Regular Plan (Growth)	₹ 10	233,845	5.04	-	-	-	-
viii)	Nippon India Liquid Fund (G)	₹ 1,000	2,208	11.03	-	-	-	-
ix)	UTI Liquid Cash Plan RP (G)	₹ 1,000	1,805	6.05	-	-	-	-
x)	Kotak Saving Fund - Regular Plan (Growth)	₹ 10	-	-	3,156,715	101.31	-	-
xi)	Kotak Liquid Fund - Regular Plan (Growth)	₹ 1,000	-	-	12,503	50.02	-	-
xii)	Tata Liquid Fund - Regular Plan (Growth)	₹ 1,000	2,805	9.05	-	-	-	-
xiii)	Halk Bank		28,659,000	17.23	80,648,006	55.76	5,619,008	3.62
xiv)	Garanti Bank		1	- *	28,778,512	7.16	550,620	0.13
	Total (C)			**55.90**		**401.24**		**3.75**
	Total (A + B + C)			**56.55**		**401.79**		**4.70**
	Aggregate market value of quoted investments			0.65		0.55		0.95
	Aggregate carrying value of unquoted investments			- *		- *		- *
	Aggregate net asset value of investment in mutual funds			55.90		401.24		3.75

* Represent amounts lower than ₹ 10,000.

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All amounts are in ₹ million unless otherwise stated

12 Trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good	3,461.37	3,187.64	2,782.54
Unsecured, considered doubtful	54.99	80.74	81.10
	3,516.36	**3,268.38**	**2,863.64**
Less: Allowance for doubtful trade receivables	54.99	80.74	81.10
Total	**3,461.37**	**3,187.64**	**2,782.54**

Notes:

1. During the year, the Group discounted trade receivables with an aggregate carrying amount of ₹ NIL (31 March 2020: ₹ NIL) (01 April 2019: ₹ 73.54) to a bank. If trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as financial liability under note 27 - Current borrowing.
2. 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 46.3.
3. Refer note 49.3 for term and other details.

13 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with banks			
- In current accounts	528.17	569.46	543.23
- In deposit accounts	8.89	110.87	133.54
Cash on hand	0.38	0.63	1.12
Total	**537.44**	**680.96**	**677.89**
Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flows	**537.44**	**680.96**	**677.89**

14 Bank balances other than (note 13) above

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
In earmarked accounts			
- Unpaid dividend accounts	0.16	0.15	0.06
- Margin money deposits (refer note below)	24.36	77.14	42.44
Total	**24.52**	**77.29**	**42.50**

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

15 Current loans

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good			
Loan to employees	1.59	2.49	5.12
Loan to other parties	0.31	0.99	0.95
	1.90	**3.48**	**6.07**
Unsecured, considered doubtful			
Loan to other parties	-	-	9.62
Less: Allowance for doubtful loans	-	-	9.62
	-	**-**	**-**
Total	**1.90**	**3.48**	**6.07**

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All amounts are in ₹ million unless otherwise stated

16 Other current financial assets

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good			
Claims receivable	101.80	94.72	23.51
Foreign exchange forward contracts at FVTPL	1.85	5.51	0.91
Interest accrued on fixed deposits	0.65	1.30	0.62
Security deposit	0.29	-	-
Others	3.04	-	-
Total	**107.63**	**101.53**	**25.04**

17 Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Advance tax (net of provision: ₹ 1.71) (31 March 2020: ₹ 1.91) (01 April 2019: ₹ Nil)	4.53	7.27	5.41
Total	**4.53**	**7.27**	**5.41**

18 Other current assets

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Unsecured, considered good			
Advance to suppliers	22.62	38.28	43.72
Balances with government authorities	214.91	302.62	356.37
Prepaid expenses	56.42	40.03	45.17
Others	4.39	6.31	9.43
Total	**298.34**	**387.24**	**454.69**

19 Share capital

	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020	No. of shares	As at 01 April 2019
(a) Authorised						
Equity shares of ₹ 2 each	400,000,000	800.00	250,000,000	500.00	250,000,000	500.00
(b) Issued, subscribed and fully paid-up						
Equity shares of ₹ 2 each	248,370,995	496.74	248,370,995	496.74	246,870,995	493.74
Total		**496.74**		**496.74**		**493.74**

Notes:

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

	No. of shares	Share capital
Fully paid equity shares		
Balance at 01 April 2019	246,870,995	493.74
Shares issued during the year	1,500,000	3.00
Balance as at 31 March 2020	**248,370,995**	**496.74**
Shares issued during the year	-	-
Balance as at 31 March 2021	**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.

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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 holding company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	131,680,103	53.02%	-	-	-	-

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	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	13,357,627	5.38%	14,138,395	5.69%	14,138,395	5.73%
K R Ravishankar	-	-	27,899,930	11.23%	27,899,930	11.30%
Chayadeep Ventures LLP	-	-	25,124,997	10.12%	25,125,000	10.18%
Agnus Capital LLP	-	-	21,157,560	8.52%	21,157,560	8.57%
Arun Kumar Pillai	-	-	23,499,965	9.46%	23,499,965	9.52%
Pronomz Ventures LLP	-	-	27,000,000	10.87%	27,000,000	10.94%
TIMF Holdings	-	-	11,030,205	4.44%	15,330,795	6.21%

(v) 1,491,250 shares of ₹ 2 each (31 March 2020: 4,934,750 shares) (01 April 2019: 4,081,620) are reserved towards outstanding employee stock options granted / available for grant.

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

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Equity shares	-	17,927,065	17,927,065

(vii) Dividend paid and proposed

Particulars	31 March 2021	31 March 2020	01 April 2019
Dividends on equity shares declared and paid:			
Final dividend for the year ended on 31 March 2020: ₹ NIL per share (31 March 2019: ₹ 0.20 per share)	-	48.56	-
Dividend Distribution Tax on final dividend	-	9.70	-
	-	**58.26**	**-**
Proposed dividends on Equity shares:			
Final dividend for the year ended on 31 March 2021: ₹ 0.50 per share (31 March 2020: ₹ NIL per share) (01 April 2019: ₹ 0.20 per share)	124.19	-	48.56
Dividend Distribution Tax on proposed dividend	-	-	9.70
	-	**-**	**58.26**

Note: With effect from 01 April 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115O of Income Tax Act,1961 was abolished and a withholding tax was introduced on the payment of dividend.

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20 Other equity

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Capital reserve	24.80	24.80	24.80
Securities premium account	8,726.86	8,603.82	8,490.36
Share options outstanding account	77.66	140.90	188.85
General reserve	227.69	226.98	152.52
Retained earnings	599.66	(791.15)	(1,402.64)
Reserve for equity instruments through other comprehensive income	617.36	146.42	630.10
Treasury reserve	(89.43)	(236.67)	(161.34)
Translation reserve	(675.54)	(418.25)	(398.64)
Gross obligation to non-controlling interest under put options	(410.25)	(163.08)	(159.70)
Other reserves	(2,319.04)	(1,159.47)	(1,159.47)
Total	**6,779.77**	**6,374.30**	**6,204.84**

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
(a) Capital reserve			
Balance at the beginning of the year	24.80	24.80	12.16
Add: Addition on account of business combination	-	-	21.24
Less: Effect of foreign currency exchange difference	-	-	(8.60)
Balance at the end of the year	**24.80**	**24.80**	**24.80**
(b) Securities premium account			
Balance at the beginning of the year	8,603.82	8,490.36	8,345.14
Add: Premium on exercise of employees stock options	123.04	26.50	11.55
Add: Shares issued during the year to ESOP trust	-	86.96	133.67
Balance at the end of the year	**8,726.86**	**8,603.82**	**8,490.36**
(c) Share options outstanding account			
Balance at the beginning of the year	140.90	188.85	175.76
Add: Employee stock option expenses	60.51	53.01	26.39
Less: Transferred to securities premium account on exercise	(123.04)	(26.50)	(11.55)
Less: Transferred to general reserve on vested ESOP lapsed during the year	(0.71)	(74.46)	(1.75)
Balance at the end of the year	**77.66**	**140.90**	**188.85**
(d) General reserve			
Balance at the beginning of the year	226.98	152.52	150.77
Add: Transferred from Share options outstanding account on vested ESOP lapsed during the year	0.71	74.46	1.75
Balance at the end of the year	**227.69**	**226.98**	**152.52**
(e) Retained earnings			
Balance at the beginning of the year	(791.15)	(1,402.64)	(1,889.32)
Less: Transition impact of Ind AS 116	-	(24.62)	-
Add: Profit for the year	954.42	699.05	486.60
Less: Other comprehensive expenses arising from remeasurement of defined benefit obligations, net of income tax	2.24	(4.68)	(2.66)
Less: Dividend distributed to equity shareholders (including tax on dividend)	-	(58.26)	-
Add: Transfer from reserve for equity instruments through other comprehensive income on sales of quoted equity investments carried at FVTOCI	434.15	-	2.74
Balance at the end of the year	**599.66**	**(791.15)**	**(1,402.64)**

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	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
(f) Reserve for equity instruments through other comprehensive income			
Balance at the beginning of the year	146.42	630.10	1,054.59
Add / (less): Net fair value gain / (loss) on investment in equity instruments at FVTOCI	1,030.11	(483.68)	(421.75)
Less: Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	(434.15)	-	(2.74)
Less: Income tax	(85.86)	-	-
Less: Deferred tax	(39.16)	-	-
Balance at the end of the year	**617.36**	**146.42**	**630.10**
(g) Treasury reserve			
Balance at the beginning of the year	(236.67)	(161.34)	(32.66)
Add: Employee stock options issued during the year	147.24	14.63	11.26
Less: Shares issued during the year to ESOP trust	-	(89.96)	(139.94)
Balance at the end of the year	**(89.43)**	**(236.67)**	**(161.34)**
(h) Translation reserve			
Balance at the beginning of the year	(418.25)	(398.64)	(315.89)
Add / (less): Movement during the year	(263.09)	(16.56)	(110.46)
Add / (less): Transfer to non-controlling interest	5.80	(3.05)	27.71
Balance at the end of the year	**(675.54)**	**(418.25)**	**(398.64)**
(i) Gross obligation to NCI under put options			
Balance at the beginning of the year	(163.08)	(159.70)	(744.32)
Add: Movement during the year	(247.17)	(3.38)	584.62
Balance at the end of the year	**(410.25)**	**(163.08)**	**(159.70)**
(j) Other reserves			
Balance at the beginning of the year	(1,159.47)	(1,159.47)	(1,136.27)
Less: Acquisition of minority interest	(1,159.57)	-	(23.20)
Balance at the end of the year	**(2,319.04)**	**(1,159.47)**	**(1,159.47)**

Nature and purpose of Reserves

(a) Capital reserve

Capital reserves pertains to acquisition of subsidiary company and represent the difference between value of the net assets acquired by the Group 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, 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.

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(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.

21 Non-controlling interest (NCI)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the year	447.37	402.51	369.85
Share of profit for the year	90.10	121.41	82.17
Share of other comprehensive income / (expenses) for the year	(5.80)	1.89	(29.38)
Transition impact of Ind AS 116 Leases	-	(4.07)	-
Dividend outflow	(14.25)	(19.96)	(20.07)
Put option derecognised (net)	(9.71)	(63.39)	46.15
Acquisition of stake from NCI	(24.73)	-	(21.78)
Equity contribution by NCI shareholders	0.14	0.42	14.57
Effect of foreign currency exchange difference on opening NCI	3.53	8.56	(39.00)
Balance at the end of the year	**486.65**	**447.37**	**402.51**

22 Non-current borrowings

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Secured term loan - at amortised cost			
From bank	611.50	579.19	552.23
From other parties	13.73	509.59	717.22
Unsecured term loan - at amortised cost			
From bank	227.14	284.08	70.62
From other parties	84.69	127.73	138.39
Total	**937.06**	**1,500.59**	**1,478.46**

(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 2021	As at 31 March 2020	As at 01 April 2019
Secured term loan from banks:				
RBL Bank Limited: Exclusive charge on the entire movable and immoveable fixed assets, both present and future, located at Mahad Plant. Exclusive charge on the current assets of the Company, both present and future.	Repayable in 18 quarterly equal instalments, commencing from July 2019. Repaid fully in October 2019.	-	-	206.08
ICICI Bank Limited: Exclusive charge on the entire movable and immoveable fixed assets, both present and future, located at Mahad Plant. Exclusive charge on the current assets of the Company, both present and future and unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India.	Repayable in 17 quarterly equal instalments, commenced from November 2019. Repaid fully in November 2020	-	152.85	-

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Particulars	Terms of repayment	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
IndusInd Bank Limited: Exclusive mortgage on land, building and machinery situated at Tarapur Plant, land and building situated at Ambernath Plant and office premises at Dosti pinnacle, Thane of Parent Company.	Repayable in 24 quarterly instalments, commenced from September 2019. Repaid fully in October 2020.	-	304.47	336.56
IndusInd Bank Limited: Exclusive mortgage on land, building and machinery situated at Tarapur Plant, land and building situated at Ambernath Plant and office premises at Dosti pinnacle, Thane of Parent Company.	Repayable in 23 quarterly instalments, commenced from December 2019. Repaid fully in October 2020.	-	106.78	-
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 assignment 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, commenced from July 2021.	603.29	-	-
Türkiye Halk Bankası A.Ş.: Hypothecation of vehicles	Repayable in 24 monthly instalments, commenced from April 2020. Repayable fully by March 2022.	-	5.98	-
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commenced from March 2013. Repayable fully by February 2028.	2.33	2.59	2.72
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commenced from March 2013. Repayable fully by February 2028.	5.88	6.52	6.87
		611.50	**579.19**	**552.23**
Unsecured term loan from banks:				
B.B.V.A.	Repayable in 60 monthly instalments, commencing from June 2015. Repayable fully by May 2020.	-	-	0.17
B.B.V.A.	Repayable in 20 quarterly instalments, commenced from October 2019. Repayable fully by July 2024.	65.93	90.52	-
B.B.V.A.	Repayable in 60 monthly instalments, commenced from August 2020. Repaid fully by July 2025.	18.05	-	-
Türkiye Halk Bankası A.Ş.	Repayable in 30 monthly instalments, commenced from October 2021. Repayable fully by April 2023.	20.23	-	
Bankinter	Repayable in 36 monthly instalments, commencing from March 2017. Repayable fully by April 2020.	-	-	0.66
Bankia	Repayable in 60 monthly instalments, commenced from April 2017. Repayable fully by March 2022.	-	21.16	39.22
B.B.V.A.	Repayable in 60 monthly Instalments, commenced from May 2018. Repayable fully by April 2023.	1.32	2.44	3.37
La Caixa	Repayable in 36 monthly Instalments, commenced from August 2018. Repayable fully by July 2021.	-	0.94	3.48
Bank Popular	Repayable in 60 monthly Instalments, commenced from December 2018. Repayable fully by November 2023.	4.37	6.71	8.60

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Particulars	Terms of repayment	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
B.S.C.H.	Repayable in 60 monthly Instalments, commenced from December 2018. Repayable fully by November 2023.	4.37	6.71	8.60
Bankinter	Repayable in 36 monthly Instalments, commenced from April 2019. Repayable fully by March 2022.	-	3.52	6.52
Bankia	Repayable in 60 monthly Instalments, commenced from June 2019. Repayable fully by May 2024.	23.69	33.11	-
B.S.C.H.	Repayable in 20 quarterly Instalments, commenced from October 2019. Repayable fully by July 2024.	32.93	44.12	-
B.S.C.H.	Repayable in 20 quarterly Instalments, commenced from October 2019. Repayable fully by July 2024.	32.93	44.12	-
Banc Sabadell	Repayable in 60 monthly Instalments, commenced from December 2019. Repayable fully by November 2024.	23.32	30.73	-
		227.14	**284.08**	**70.62**
Secured term loan from other parties:				
Export and Import Bank of India: First charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, second charge over current assets of the subsidiary company both present and future, unconditional and irrevocable corporate guarantee of Parent Company to the extent of the shareholding in the subsidiary company. Personal guarantee of Mr Arun Kumar Pillai, promoter of Parent Company, to the extent of ₹ 50 Crores. First charge / assignment on all intangibles assets of the Company.	Repayable in 26 equal quarterly Instalments, commenced from August 2016. Repaid fully in December 2020.	-	320.44	502.78
Export and Import Bank of India: First pari pasu charge on the entire movable and immovable fixed assets of Alivira Animal Health Limited, India plant, at Vizag and Ambernath, both present and future, second pari pasu charge over current assets of the subsidiary company both present and future, unconditional and irrevocable corporate guarantee of Parent Company. Personal guarantee of Mr Arun Kumar Pillai, promoter of Parent Company, to the extent of ₹ 30 Crores. Negative lien on the shares of Bremer, held by Alivira Animal Health Limited, Ireland.	Repayable in 22 equal quarterly Instalments, commenced from 02 September 2019. Repaid fully in November 2020.	-	178.82	212.45
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commenced from November 2019. Repayable fully by October 2023.	1.36	2.08	-
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commenced from October 2019. Repayable fully by September 2024.	4.28	4.76	-
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commenced from July 2019. Repayable fully by June 2023.	2.17	2.20	-
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 36 monthly instalments, commenced from August 2020. Repayable fully by July 2023.	0.90	-	-
BMW Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commenced from November 2020. Repaid fully by October 2024.	4.51	-	-

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Particulars	Terms of repayment	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Toyota Financial Services India Limited: Hypothecation of vehicles.	Repayable in 60 equal monthly Instalments, commenced from October 2017.	0.19	0.56	0.89
Toyota Financial Services India Limited: Hypothecation of vehicles.	Repayable in 60 equal monthly Instalments, commenced from January 2018.	0.32	0.73	1.10
		13.73	**509.59**	**717.22**
Unsecured term loan from other parties:				
ICF	Repayable in 28 quarterly Instalments, commenced from October 2015. Repayable fully by July 2022.	1.89	5.41	8.33
Dell Bank International	Repayable in 36 monthly instalments, commenced from July 2019. Repayable fully by June 2022.	1.47	6.94	-
Fitch Participacoes Ltda	Repayable in 108 monthly instalments, commenced from January 2020. Repayable fully by December 2028	47.19	59.56	62.10
Judiciary	The loan is repayable in half yearly 18 instalments, commenced from November 2016. Repayable fully by May 2025.	34.14	55.82	67.96
		84.69	**127.73**	**138.39**
Total		**937.06**	**1,500.59**	**1,478.46**

The interest on above term loan from Bank and other parties (other than loan from Banco popular, Bankia, Bankinter, Volkswagen Finance, BMW Finance, ICF, Fitch Participacoes Ltda and Halk Bankasi A.S. Turkey) are linked to the respective lender's base rates which are floating in nature. During the year ended 31 March 2021, the interest rates ranges from 0.90% to 8.50% per annum (31 March 2020: 0.90% to 11.55% per annum).

(ii) Details of long-term borrowings guaranteed by some of the directors or others:

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Term loan from banks	-	-	-
Term loan from other parties	-	499.26	715.23

(iii) For the current maturities of long-term borrowings, refer note 29 in other current liabilities.

23 Other non-current financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Put option liability	-	134.14	322.70
Interest accrued but not due	-	-	12.91
Lease liabilities (refer note 51)	453.97	534.29	44.72
Total	**453.97**	**668.43**	**380.33**

24 Non-current provisions

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Provision for employee benefits			
Gratuity and termination benefits (refer note 47)	64.39	57.93	43.12
Compensated absences (refer note below)	19.98	37.76	38.41
Total	**84.37**	**95.69**	**81.53**

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

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25 Deferred tax liabilities / assets (refer note 41)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Deferred tax liabilities			
- Temporary differences on account of depreciation	78.63	79.90	100.06
- Temporary differences on account of right-of-use assets	(2.81)	(2.87)	-
- Others	(6.52)	6.19	3.20
Deferred tax liabilities	**69.30**	**83.22**	**103.26**
Deferred tax assets			
- Temporary differences on account of depreciation	27.61	(38.27)	(123.78)
- Expenses allowable on payment basis	39.07	54.82	33.78
- Unabsorbed depreciation and carried forward of losses	38.60	77.18	162.16
- Temporary differences on account of right-of-use assets	10.19	9.88	-
- Temporary differences of quoted equity instrument valued at fair value	(67.78)	-	-
- Others	(45.26)	(18.36)	(19.98)
- MAT credit entitlement	202.64	147.15	90.38
Deferred tax assets	**205.07**	**232.40**	**142.56**

26 Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Statutory remittances	8.69	10.14	14.78
Rent equalisation liability	-	-	8.18
Others	-	2.99	-
Total	**8.69**	**13.13**	**22.96**

27 Current borrowings

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Loans repayable on demand			
Secured loan			
From banks (refer note (i) to (iv) below)	575.76	755.48	799.94
Unsecured loan			
From banks	453.29	528.42	320.84
From other parties	-	187.31	152.84
Total	**1,029.05**	**1,471.21**	**1,273.62**

Notes:

(i) Working capital loan from banks are secured by an exclusive charge on current assets of the company and exclusive charge on the entire movable and Immovable fixed assets of the Company, both present and future, including exclusive charge on the immovable assets located at Mahad.

(ii) Working capital loan from banks in subsidiary Alivira Animal Health Limited, India, are secured by a first pari-passu charge on current assets, both present and future and second pari-passu charge on fixed assets of the subsidiary company.

(iii) Working capital loan from banks by two subsidiaries company are secured by a first pari-passu charge on current assets of the Alivira Animal Health Limited, India, both present and future.

(iv) The interest on above loans are in ranges from 2.55% to 9.45% per annum (31 March 2020: 0.85% to 16.80% per annum).

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28 Trade payables

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade payables	2,295.64	2,203.80	2,093.50
Total	**2,295.64**	**2,203.80**	**2,093.50**

Notes:

(i) Trade payables are non-interest bearing and are normally settled on 90 to 120 days.

(ii) The Group's exposure to market and liquidity risk related to trade payable is disclosed in note 49.

(iii) Refer note 46.3 for dues payable to related parties.

29 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Current maturities of long-term borrowings *	271.80	462.32	498.58
Put option liability	425.84	251.00	-
Interest accrued and due on borrowings	2.67	7.54	12.45
Payables on purchase of property, plant and equipments	42.89	40.97	32.91
Unclaimed dividends	0.16	0.15	0.06
Judicial recovery	9.06	8.29	6.67
Foreign exchange forward contracts at FVTPL	-	24.02	-
Lease liabilities (refer note 51)	68.90	72.93	15.55
Others	2.04	14.18	139.84
Total	**823.36**	**881.40**	**706.06**

* 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 2021	As at 31 March 2020	As at 01 April 2019
Secured term loan from banks			
RBL Bank Limited	-	-	41.70
ICICI Bank Limited	-	55.18	-
IndusInd Bank Limited	-	44.14	10.50
HSBC Limited	120.66	-	-
Bank Sabadell	1.23	-	-
Türkiye Halk Bankası A.Ş.	21.93	5.42	8.58
B.B.V.A.	33.32	25.53	-
Banco Popular	2.59	10.60	12.86
Bankinter	3.65	4.17	11.09
Bankia	32.57	20.76	19.06
La Caxia	0.97	2.79	2.58
B.S.C.H	28.20	32.06	2.30
Others	-	14.44	7.86
Secured loan from other parties			
Export and Import Bank of India	-	243.54	367.13
Toyota Financial Services India Limited	0.77	0.71	0.60
ICF	3.71	-	3.19
Bank Sabadell	8.53	-	-
Dell Bank International	5.72	-	-
Others	2.62	-	0.52
Unsecured loan from other parties			
Fitch Participacoes Ltda	5.33	2.98	10.61
Total	**271.80**	**462.32**	**498.58**

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30 Current provisions

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Provision for employee benefits			
Gratuity and termination benefits (refer note 47)	8.11	5.33	4.45
Compensated absences	43.34	20.16	16.01
Total	**51.45**	**25.49**	**20.46**

31 Current tax liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Income tax payable (net of advance tax: ₹ 529.26) (31 March 2020: ₹ 199.74) (01 April 2019: ₹ 61.30)	226.55	196.65	77.21
Total	**226.55**	**196.65**	**77.21**

32 Other current liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Statutory remittances	102.45	79.31	75.81
Advance from customers	51.84	65.23	69.67
Other current liabilities	28.70	23.90	26.47
Total	**182.99**	**168.44**	**171.95**

33 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	13,312.16	11,455.38
Sale of services	208.19	149.75
	13,520.35	**11,605.13**
Other operating revenues		
Sale of scrap	4.38	5.16
Duty drawback and other export incentives	73.43	171.33
Other miscellaneous income	17.99	10.82
	13,616.15	**11,792.44**

Disaggregated revenue disclosures

The Group disaggregates the revenue based on geographic locations and it is disclosed under note 42 - Segment reporting.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

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 recognised 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 2021	Year ended 31 March 2020
Contracted price	13,783.27	11,858.31
Less: trade discounts, sales and expiry return	262.92	253.18
Sale of products and services	**13,520.35**	**11,605.13**

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34 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income (refer note below)	6.26	15.03
Net gain on sale of current investments	25.79	3.65
Dividend income	9.95	52.64
Fair value gain on financial instrument at fair value through profit or loss	0.17	4.09
Profit on sale of property, plant and equipment	6.98	1.14
Insurance claim received	-	0.03
Miscellaneous income	34.48	24.31
Total	**83.63**	**100.89**
Interest income comprises:		
Interest on:		
Bank deposits	4.19	9.04
Interest on income tax refund	0.21	2.03
Other interest	1.86	3.96
Total	**6.26**	**15.03**

35.a Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	864.33	645.68
Effect of foreign currency exchange differences	(56.57)	(6.24)
Add: Purchases	5,996.83	5,341.88
Less: Closing stock	917.94	864.33
Cost of materials consumed	**5,886.65**	**5,116.99**

35.b Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	1,450.19	888.90
Total	**1,450.19**	**888.90**

35.c Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Work-in-progress and intermediates	388.32	365.61
Finished goods (including stock-in-trade and goods in transit)	937.76	986.24
	1,326.08	**1,351.85**
Effect of foreign currency exchange differences		
Work-in-progress and intermediates	(1.25)	0.82
Finished goods (including stock-in-trade and goods in transit)	6.51	18.03
	5.26	**18.85**
Closing stock		
Work-in-progress and intermediates	414.94	388.32
Finished goods (including stock-in-trade and goods in transit)	1,306.67	937.76
	1,721.61	**1,326.08**
Net (increase) / decrease	**(390.27)**	**44.62**

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36 Employee benefit expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	1,475.89	1,324.33
Contributions to provident fund, gratuity and other funds (refer note 47)	246.30	218.04
Share-based payment to employees (refer note 48)	72.34	46.67
Staff welfare expenses	77.70	61.55
Total	**1,872.23**	**1,650.59**

37 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on borrowings	161.65	290.93
Other borrowing costs	51.29	30.12
Interest expense on leases liabilities (refer note 51)	30.89	36.09
Total	**243.83**	**357.14**

38 Depreciation and amortisation expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment and ROU assets (refer note 3)	407.84	388.10
Amortisation on intangible assets (refer note 5)	98.14	118.12
Total	**505.98**	**506.22**

39 Other expenses

		Year ended 31 March 2021	Year ended 31 March 2020
Power, water and fuel		287.51	247.30
Consumables		131.54	86.32
Conversion and processing charges		526.60	449.22
Contract labour charges		31.21	46.27
Freight and forwarding		282.63	213.79
Rent		10.41	6.85
Rates and taxes		53.23	68.96
Communication expenses		23.36	22.90
Repairs and maintenance			
Building		15.43	14.83
Machinery		104.08	91.54
Others		99.26	69.89
Insurance		51.89	43.97
Travelling and conveyance		65.27	107.38
Advertisement and selling expenses		121.55	178.47
Commission on sales		95.83	59.32
Legal and professional fees		370.94	306.37
Payment to auditors		8.87	7.24
Analytical charges		84.91	74.33
Bad trade receivables written off	30.31		24.16
Allowances for doubtful trade receivables provided / (written back)	(21.32)	8.99	1.54
Property, plant and equipment written off		30.69	0.41
Net loss on foreign currency transactions and translation		42.16	54.88
Miscellaneous expenses		230.29	212.18
Total		**2,676.65**	**2,388.12**

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40 Exceptional Items

	Year ended 31 March 2021	Year ended 31 March 2020
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 current year on an accelerated basis amounting to ₹ 30.93.

(b) During the year, the Group has 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 is considered representing ₹ 6.67 in inventory, ₹ 0.85 in receivables and ₹ 30.74 in intangible assets.

41 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 2021	Year ended 31 March 2020
I) Income tax charge		
Current tax	320.99	227.44
Total (I)	**320.99**	**227.44**
II) Deferred tax charge		
Origination and reversal of temporary differences	(28.60)	(48.06)
MAT credit entitlement	-	(88.22)
MAT credit entitlement written off	-	31.45
Total (II)	**(28.60)**	**(104.83)**
(III)Current tax of prior period reversed	29.38	(2.32)
Total (IV = I+II+III)	**321.77**	**120.29**
V) Tax on other comprehensive income		
Current tax	85.86	-
Deferred tax charge / income	40.52	(1.26)
Total (V)	**126.38**	**(1.26)**
Total (IV+V)	**448.15**	**119.03**

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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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 2021	Year ended 31 March 2020
Profit before tax	**1,366.29**	**940.75**
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	**397.86**	**273.95**
Differences due to:		
- Exempted income	(20.92)	(26.90)
- Disallowed expenses	0.01	1.14
- Effect of additional allowance net of MAT Credit	(97.64)	(128.35)
- Effect of deferred tax on brought forward business losses	(24.22)	(28.34)
- Effect of change in tax rate	3.62	0.89
- Different tax rate in subsidiary companies	55.69	37.39
- Provision for tax of earlier years written back	29.38	(2.32)
- Others	(22.01)	(7.17)
Income tax expenses charged to the consolidated statement of profit and loss	**321.77**	**120.29**
Effective tax rate	23.55%	12.79%

C) Movement in deferred tax assets and liabilities

	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)
Tax assets / (liabilities)	**(75.15)**	**38.82**	**(69.14)**	**(105.47)**
- 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**

	As at 01 April 2019	Credit/(charge) in the statement of profit and loss	Credit/(charge) in other comprehensive income	As at 31 March 2020
- Temporary differences on account of depreciation	(223.84)	105.67	-	(118.17)
- Expenses allowable on payment basis	33.78	19.78	1.26	54.82
- Right-of-use assets (^)	10.15	2.60	-	12.75
- Other	(23.18)	(1.37)	-	(24.55)
Tax assets / (liabilities)	**(203.09)**	**126.68**	**1.26**	**(75.15)**
- Unabsorbed depreciation and carried forward of losses	162.16	(84.98)	-	77.18
- MAT credit entitlement	90.38	56.77	-	147.15
Total	**49.45**	**98.47**	**1.26**	**149.18**

(^) Opening balances is on account of transition impact of Ind AS 116.

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42 Segment Reporting

A. Primary segment (Business segment)

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.

B. Secondary segment (Geographical segment)

The Group operates in three principal geographic location.

(i) Europe

(ii) Asia

(iii) Rest of the world

		Year ended 31 March 2021	Year ended 31 March 2020
I	**Revenue from operations**		
	Europe	6,246.18	5,191.20
	Asia	3,886.89	3,824.79
	Rest of the world	3,483.08	2,776.45
	Total	**13,616.15**	**11,792.44**
II	**Total assets**		
	Europe	5,205.54	4,920.12
	Asia	6,327.29	6,894.79
	Rest of the world	1,320.11	1,198.71
	Total segment assets	**12,852.94**	**13,013.62**
	Unallocated (^)	1,072.65	1,612.84
	Total	**13,925.59**	**14,626.46**
III	**Cost incurred during the year to acquire segment assets**		
	Europe	110.65	239.48
	Asia	417.92	168.38
	Rest of the world	6.23	43.94
	Total	**534.80**	**451.80**

Information about major customer

For information about major customer, refer note 49.3

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).

43 Earnings per share

Profit attributable to equity shareholders

	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year attributable to equity holders	954.42	699.05
Profit attributable to equity shareholders for basic and diluted earnings	**954.42**	**699.05**

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All amounts are in ₹ million unless otherwise stated

Weighted average number of equity shares

	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares at beginning of the year	248,370,995	246,870,995
Weighted average no. of shares issued during the year	-	434,426
Weighted average effect of treasury shares	(1,491,250)	(3,869,176)
Weighted average number of equity shares at end of the year for basic EPS	**246,879,745**	**243,436,245**
Share options	990,742	1,873,380
Weighted average number of equity shares at end of the year for diluted EPS	**247,870,487**	**245,309,625**

	Year ended 31 March 2021	Year ended 31 March 2020
Basic earnings per share (in ₹)	3.87	2.87
Diluted earnings per share (in ₹)	3.85	2.85

44 Contingent liabilities and commitments (to the extent not provided for)

	Year ended 31 March 2021	Year ended 31 March 2020
Contingent liabilities		
a. Claims against the Group not acknowledged as debts *	22.66	-
* Outflow, if any, arising out of the said claim including interest, would depend on the outcome of the decision of the appellate authority and the Group's right for future appeal before the judiciary.		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible and Intangible assets	39.90	25.91

45 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 2021	As at 31 March 2020	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%	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%	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%	100.00%		(0.01)	0.03%	0.32	-	-	0.02%	0.32
Foreign Subsidiaries												
5	Alivira Animal Health Limited, Ireland	Ireland	100.00%	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%	60.00%	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%	60.00%	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%	60.00%	3.89%	302.05	3.89%	40.59	-	-	2.40%	40.59

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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 at 31 March 2020	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of Total comprehensive income	Amount
9 Laboratorios Karizoo, S.A.	Spain	60.00%	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%	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%	60.00%	1.05%	81.61	2.16%	22.51	-	-	1.33%	22.51
12 Phytotherapic Solutions S.L.	Spain	60.00%	60.00%	1.95%	151.62	3.35%	35.02	-	-	2.07%	35.02
13 Bremer Pharma GmbH	Germany	100.00%	100.00%	(1.44%)	(111.78)	(13.85%)	(144.63)	-	-	(8.56%)	(144.63)
14 Fendigo SA (refer note 2)	Belgium	100.00%	92.50%	3.14%	244.04	7.88%	82.29	-	-	4.87%	82.29
15 Fendigo BV (refer note 3)	Netherland	100.00%	85.00%	0.39%	29.90	1.90%	19.80	-	-	1.17%	19.80
16 N-Vet AB	Sweden	96.10%	96.10%	1.47%	114.45	0.57%	5.95	-	-	0.35%	5.95
17 Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	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%	70.00%	0.78%	60.62	5.79%	60.44	-	-	3.58%	60.44
19 Interchange Veterinária Indústria E Comércio Ltda	Brazil	70.00%	70.00%	(0.59%)	(45.93)	5.13%	53.56	-	-	3.17%	53.56
20 Alivira Animal Health USA LLC	USA	100.00%	100.00%	(0.01%)	(0.56)	(2.10%)	(21.93)	-	-	(1.30%)	(21.93)
21 Alivira Italia S.R.L.	Italy	95.00%	95.00%	(0.10%)	(8.15)	(0.59%)	(6.19)	-	-	(0.37%)	(6.19)
22 Alivira France S.A.S.	France	75.00%	75.00%	(0.01%)	(0.71)	(6.53%)	(68.18)	-	-	(4.04%)	(68.18)
23 Alivira Animal Health Australia Pty Limited (refer note 5)	Australia	-	100.00%	-	-	-	-	-	-	-	-
24 Alivira Animal Health UK Ltd (refer note 4)	United Kingdom	100.00%	-	-	-	-	(0.01)	-	-	-	(0.01)
25 Alivira UA Limited (refer note 6)	Ireland	-	-	-	-	-	-	-	-	-	-
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 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 year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additional 7.5% stake in Fendigo SA, Belgium.
3. During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland acquired additional 15% stake in Fendigo BV, Netherland.
4. During the year, the Company's step down subsidiary, Alivira Animal Health Limited, Ireland incorporated Alivira Animal Health UK Ltd, Ireland with 100% stake.
5. 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.
6. The Companies Registration Office, Dublin (Republic of Ireland) vide letter dated 18 August 2019 has confirmed the strike off of Alivira UA Limited.

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45 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 2020	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			121.09%	8,862.17	26.01%	213.41	96.00%	(485.82)	(86.65%)	(272.41)
Indian Subsidiaries										
2 Alivira Animal Health Limited	India	100.00%	63.50%	4,647.55	38.95%	319.59	0.16%	(0.81)	101.40%	318.78
3 SeQuent Research Limited	India	100.00%	1.08%	78.76	1.60%	13.13	(0.01%)	0.03	4.19%	13.16
4 Elysian Life Sciences Private Limited	India	100.00%	(1.54%)	(112.41)		(0.04)	-	-	(0.01%)	(0.04)
5 SeQuent Antibiotics Private Limited (refer note 1)	India	-	-	-	-	-	-	-		-
6 SeQuent Pharmaceuticals Private Limited (refer note 1)	India	-	-	-	-	-	-	-		-
Foreign Subsidiaries										
7 Alivira Animal Health Limited, Ireland	Ireland	100.00%	51.09%	3,739.02	(1.49%)	(12.20)	-	-	(3.88%)	(12.20)
8 Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	Turkey	60.00%	4.63%	339.01	11.38%	93.40	0.32%	(1.63)	29.19%	91.77
9 Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	Turkey	60.00%	5.17%	378.69	14.04%	115.22	0.25%	(1.28)	36.24%	113.94
10 Vila Viña Participacions S.L.	Spain	60.00%	3.88%	284.20	5.97%	49.00	-	-	15.59%	49.00
11 Laboratorios Karizoo, S.A.	Spain	60.00%	8.09%	591.97	9.82%	80.56	-	-	25.63%	80.56
12 Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	60.00%	0.33%	24.50	(0.68%)	(5.59)	-	-	(1.78%)	(5.59)
13 Comercial Vila Veterinaria De Lleida S.L.	Spain	60.00%	0.86%	62.96	1.61%	13.19	-	-	4.20%	13.19
14 Phytotherapic Solutions S.L.	Spain	60.00%	1.68%	123.07	4.02%	32.95	-	-	10.48%	32.95
15 Bremer Pharma GmbH	Germany	100.00%	0.14%	10.01	(7.41%)	(60.78)	-	-	(19.33%)	(60.78)
16 Fendigo SA	Belgium	92.50%	2.33%	170.56	8.13%	66.69	-	-	21.21%	66.69
17 Fendigo BV	Netherland	85.00%	0.42%	30.63	1.15%	9.47	-	-	3.01%	9.47
18 N-Vet AB	Sweden	96.10%	1.35%	98.50	(0.21%)	(1.70)	-	-	(0.54%)	(1.70)
19 Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	(2.19%)	(159.99)	(13.61%)	(111.68)	-	-	(35.52%)	(111.68)
20 Evance Saude Animal Ltda	Brazil	70.00%	0.05%	3.41	(0.20%)	(1.67)	-	-	(0.53%)	(1.67)
21 Interchange Veterinária Indústria E Comércio Ltda	Brazil	70.00%	(1.47%)	(107.69)	2.43%	19.95	-	-	6.35%	19.95
22 Alivira Italia S.R.L.	Italy	95.00%	(0.03%)	(1.93)	(1.18%)	(9.71)	-	-	(3.09%)	(9.71)
23 Alivira France	France	75.00%	0.01%	64.65	(0.05%)	(40.42)	-	-	(0.13%)	(40.42)
24 Alivira UA Limited (refer note 2)	Ireland	-	-	-	-	-	-	-	-	-
25 Alivira Animal Health Australia Pty Limited	Australia	-	-	-	-	-	-	-	-	-
Total				**19,127.64**		**782.77**		**(489.51)**		**293.26**
Adjustments arising out of consolidation			(167.48%)	(12,256.60)	(10.20%)	(83.72)	3.65%	(18.46)	(32.50%)	(102.18)
Non-controlling interest in all subsidiaries			6.11%	447.37	14.80%	121.41	(0.37%)	1.89	39.22%	123.30
Total				**7,318.41**		**820.46**		**(506.08)**		**314.38**

Notes:

1. During the previous year, SeQuent Antibiotics Private Limited and SeQuent Pharmaceuticals Private Limited have applied for strike off their name from register of Registrar of Company - Bengaluru under fast track exit scheme of Ministry of Corporate Affairs. The Registrar of Company vide letter dated 26 July 2019 have removed their name from Register of Companies and the said companies are dissolved.
2. The Companies Registration Office, Dublin (Republic of Ireland) vide letter dated 18 August 2019 has confirmed the strike off of Alivira UA Limited.

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46 Related party transactions

Holding Company

CA Harbor Investments (w.e.f. 17 August 2020)

46.1 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
Mr. Sharat Narasapur, Joint Managing Director
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. 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) Relative of KMP

Mrs. Anita M Gupta (wife of Mr. Manish Gupta)

c) Enterprises owned or significantly influenced by individuals who have control / significant influence over the Group / subsidiaries

Strides Pharma Science Limited (formerly known as Strides Shasun Limited) (Till 17 August 2020)
Strides Emerging Markets Limited (Till 17 August 2020)
Agnus Capital LLP (Till 17 August 2020)
Pronomz Ventures LLP (Till 17 August 2020)
Tenshi Kaizen Private Limited (Till 17 August 2020)
Stelis Biopharma Private Limited (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.

The following table provides transactions that have been entered into with related parties for the relevant financial year:

46.2 Transactions for the year

	Year ended 31 March 2021	Year ended 31 March 2020
i) Transactions with KMP and their relatives		
Managerial remuneration (*)		
Mr. Manish Gupta		
Short-term benefits	35.76	24.49
Share-based payments	94.73	11.54
Total	**130.49**	**36.03**
Mr. Sharat Narsapur		
Short-term benefits	12.50	8.17
Share-based payments	19.15	1.56
Total	**31.65**	**9.73**
Mr. Tushar Mistry		
Short-term benefits	11.40	7.44
Share-based payments	19.15	1.56
Total	**30.55**	**9.01**
Directors sitting fees		
Mr. K E C Rajakumar	0.50	0.30
Dr. S Devendra Kumar	0.50	0.40
Dr. Gopakumar G. Nair	0.93	0.88
Dr. Kausalya Santhanam	1.23	0.48
Mr. Narendra Mairpady	0.36	0.48
Dr. Kamal K Sharma	1.20	-
Mr. Milind Sarwate	1.00	-
Mr. Gregory Andrews John	0.20	-
Dr. Fabian Kausche	0.10	-
Sale of assets		
Mrs. Anita M Gupta	-	0.50
ii) Transaction with enterprises owned or significantly influenced by individuals who have control / significant influence over the Group / subsidiaries		
Sale of materials / services		
Strides Pharma Science Limited	-	0.62
Strides Emerging Markets Limited	0.04	2.69
Solara Active Pharma Sciences Limited	15.95	194.42
Tenshi Kaizen Private Limited	-	0.06
Stelis Biopharma Private Limited	-	1.73
Purchase of materials		
Solara Active Pharma Sciences Limited	83.49	99.97
Reimbursement of expenses from		
Solara Active Pharma Science Limited	-	1.17
Agnus Capital LLP	2.76	7.39
Sales of equity investment		
Pronomz Ventures LLP	1,573.44	-
Commission expense		
Solara Active Pharma Sciences Limited	-	0.90
Payment towards lease obligation and finance costs		
Solara Active Pharma Sciences Limited	2.80	8.40
Sequent Penems Private Limited	0.73	2.36

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46.3 Balance as at balance sheet date

	Year ended 31 March 2021	Year ended 31 March 2020
Trade Receivables / other current assets		
Strides Pharma Science Limited	-	0.41
Strides Emerging Markets Limited	-	1.03
Solara Active Pharma Sciences Limited	-	8.55
Tenshi Kaizen Private Limited (^)	-	- ^
Stelis Biopharma Private Limited	-	1.22
Agnus Capital LLP	-	7.39
Security deposit receivable		
Solara Active Pharma Sciences Limited	-	4.20
Sequent Penems Private Limited	-	2.50
Trade payables		
Solara Active Pharma Sciences Limited	-	22.26
Sequent Penems Private Limited	-	0.39

(*) 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.

(^) Represent amounts lower than ₹ 10,000.

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47 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 ₹ 37.82 (31 March 2020: ₹ 36.69) for PF contributions and ₹ 3.16 (31 March 2020: ₹ 3.70) for ESIC contributions in the consolidated statement of profit and loss. As at 31 March 2021, contribution of ₹ 6.87 (31 March 2020: ₹ 6.90) 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 ₹ 190.42 (31 March 2020: ₹ 166.20) 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 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense/ (income) recognised in the statement of profit and loss:				
Current service cost	11.84	5.18	8.78	4.20
Net interest cost	3.20	1.55	2.85	1.45
Expected return on plan assets	(0.14)	-	(0.18)	-
Component of defined benefit costs recognised in the statement of profit and loss	**14.90**	**6.73**	**11.45**	**5.65**
Expense / (income) recognised in other comprehensive income:				
Return on plan assets (excluding amounts included in net interest cost)	-	-	0.62	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	2.74	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.03)	(2.83)	2.93	3.20
Actuarial (gains) / losses arising from changes in experience adjustments	(4.27)	0.58	0.63	(0.28)
Actuarial (gains) / losses arising from adjustment to opening fair value	(0.08)	-	-	-
Component of defined benefit costs recognised in the other comprehensive income	**(4.38)**	**0.49**	**4.18**	**2.92**
Total	**10.52**	**7.22**	**15.63**	**8.57**

Net defined benefit obligation as reflected in balance sheet:

	31 March 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	58.64	13.00	51.13	14.14
Fair value of plan assets	1.93	-	2.01	-
Net liability recognised in balance sheet	**56.71**	**13.00**	**49.12**	**14.14**

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A. Movements in the present value of the defined benefit obligation are as follows:

	31 March 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening balance	51.13	14.10	40.65	9.37
Current service cost	11.84	5.18	8.78	4.20
Interest cost	3.20	1.55	2.85	1.45
Liability transferred in / acquisitions	-	-	-	-
Benefits paid	(3.24)	(1.61)	(4.71)	(2.72)
Actuarial (gains) / losses arising from changes in financial assumptions	(0.03)	(2.83)	2.93	3.20
Actuarial (gains) / losses arising from changes in experience adjustments	(4.26)	0.58	0.63	(0.28)
Exchange gain or loss	-	(3.97)	-	(1.08)
Closing defined benefit obligation	**58.64**	**13.00**	**51.13**	**14.14**

B. Movements in the fair value of plan assets are as follows:

	31 March 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	2.02	-	2.45	-
Opening fair value adjustments of plan assets	(0.23)	-	-	-
Expected return on plan assets	0.14	-	0.18	-
Remeasurement loss / (gain):				
Return on plan assets (excluding amounts included in net interest cost)	-	-	(0.62)	-
Closing fair value of plan assets	**1.93**	**-**	**2.01**	**-**
Estimate amount of contribution in immediate next year	**5.72**	**-**	**4.13**	**-**

Actual return on plan assets is ₹ (0.02) [31 March 2020: ₹ (0.44)]

Asset information

	31 March 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Insurer Managed Funds (LIC) (100%)	100%	-	100%	-

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 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumption:				
Discount rate	6.51% - 6.67%	18.08%	6.51% - 6.67%	13.43%
Salary escalation rate	8.00%	15.00%	8.00%	12.50% - 14.50%
Demographic assumption:				
Withdrawal rate	8.00% to 12.00%	10%	8.00% to 12.00%	7%
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

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As per para 83 of Ind As 19-Employee benefits, 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 2021		31 March 2020	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expected future cash flows				
Within 1 year	6.33	3.66	4.51	2.26
2-5 years	26.69	12.63	21.27	9.38
6-10 years	24.48	10.62	24.70	7.66

Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

	Impact on the defined benefit obligation			
	Gratuity		Termination benefits	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2021				
Discounting rate	(3.83)	4.33	(6.23)	6.69
Salary escalation rate	4.19	(3.79)	0.59	(0.63)
31 March 2020				
Discounting rate	(3.25)	3.70	6.53	7.83
Salary escalation rate	3.61	(3.25)	7.19	7.10

48 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

* 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.

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The expense on Employee Stock Option plan debited to the consolidated statement of profit and loss during 2020-21 is ₹ 103.27 (31 March 2020: ₹ 46.67) 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 2021 is ₹ 77.66 (31 March 2020: ₹ 140.90).

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 21 September 2020 is ₹ 101.56 and that granted on 01 March 2021 is ranging from ₹ 161.35 to ₹ 181.46 (31 March 2020:₹ 40.99). 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 2021	31 March 2021	31 March 2020
Grant date	01 March 2021	21 September 2020	03 July 2019
Grant date share price	241.80	140.05	66.25
Exercise price	86.00	40.00	40.00
Expected volatility	47.7% - 53.5%	52.00%	38.00%
Option life	1.5 - 5 years	2 years	5 years
Dividend yield	0.2%	0.00	0.00
Risk-free interest rate	4.2% - 5.8%	3.51%	7.35%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows.

	31 March 2021		31 March 2020	
	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	4,138,500	31.97	4,552,620	36.48
Granted during the year	7,461,600	85.31	1,135,000	40.00
Exercised during the year	3,443,500	30.34	646,870	32.43
Cancelled during the year	-	-	427,250	87.00
Forfeited during the year	220,700	40.00	475,000	44.33
Options outstanding at the end of the year	**7,935,900**	**82.60**	**4,138,500**	**31.97**

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
Option series			
1. Granted on 28 May 2014	250,000	03 April 2020	74.15
2. Granted on 12 November 2014	500,000	03 April 2020	74.15
3. Granted on 12 November 2014	500,000	21 April 2020	71.33
4. Granted on 02 November 2018	31,250	21 April 2020	71.33
5. Granted on 02 November 2018	56,500	10 July 2020	93.00
6. Granted on 03 July 2019	227,750	10 July 2020	93.00
7. Granted on 02 November 2018	1,464,500	21 September 2020	142.13
8. Granted on 03 July 2019	340,500	21 September 2020	142.13
9. Granted on 02 November 2018	18,750	02 November 2020	140.53
10. Granted on 03 July 2019	14,250	02 November 2020	140.53
11. Granted on 02 November 2018	25,000	01 January 2021	170.63
12. Granted on 03 July 2019	15,000	01 January 2021	170.63

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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 ₹ 82.60 (as at 31 March 2020: ₹ 31.97) and weighted average remaining contractual life of 3.50 years (31 March 2020: 3.49 years).

49 Financial instruments
The carrying value / fair value of financial instruments by categories are as follows:

	Carrying value and fair value	
	31 March 2021	31 March 2020
Measured at amortised cost		
Loans	1.90	3.48
Trade receivables	3,461.37	3,187.64
Cash and cash equivalents	537.44	680.96
Other bank balances	24.52	77.29
Other financial assets	154.72	164.05
Other investments	-	0.08
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (quoted)	769.99	1,313.30
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	55.90	401.24
Other investments	0.05	0.05
Foreign exchange forward contracts at FVTPL	1.85	5.51
Total	**5,007.74**	**5,833.60**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	2,246.97	3,442.41
Trade payables	2,295.64	2,203.80
Lease liabilities	522.87	607.22
Other financial liabilities	47.76	62.84
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	-	24.02
Measured at fair value through other comprehensive income (FVTOCI)		
Put option liability	425.84	385.14
Total	**5,539.08**	**6,725.43**

49.1 Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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 2021 and 31 March 2020:

Particulars	Date of valuation	Fair value measurement using Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value thought profit or loss:					
Derivative financial assets (refer note 16):					
Foreign currency forward contracts	31 March 2021	1.85	-	1.85	-
Foreign currency forward contracts	31 March 2020	5.51	-	5.51	-
Financial liabilities measured at fair value thought profit or loss:					
Derivative financial liabilities (refer note 29):					
Foreign currency forward contracts	31 March 2021	-	-	-	-
Foreign currency forward contracts	31 March 2020	24.02	-	24.02	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (refer notes 6,11 and 23):					
Investment in equity instruments	31 March 2021	770.04	769.99	0.05	-
Investment in equity instruments	31 March 2020	1,313.35	1,313.30	0.05	-
Put option liability	31 March 2021	425.84	-	-	425.84
Put option liability	31 March 2020	385.14	-	-	385.14
Financial assets designated at fair value through profit or loss (refer note 11):					
Investment in mutual funds	31 March 2021	55.90	-	55.90	-
Investment in mutual funds	31 March 2020	401.24	-	401.24	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:
(i) Refer note 2(xvii) 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.

49.2 Financial risk management objective and policies
The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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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 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 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.

49.3 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.

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Given below is ageing of trade receivable spread by period of six months:

	31 March 2021	31 March 2020
Outstanding for more than 6 months	30.88	98.10
Others	3,430.49	3,089.54
Total	**3,461.37**	**3,187.64**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls.

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

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 2021 and 31 March 2020.

49.4 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 2021 and 31 March 2020:

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings and judicial recovery)	1,309.91	287.02	650.04	2,246.97
Trade payables	2,295.64	-	-	2,295.64
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

Particulars	As at 31 March 2020			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings and judicial recovery)	1,814.18	471.37	1,029.22	3,442.41
Trade payables	2,203.80	-	-	2,203.80
Put option liability	251.00	134.14	-	385.14
Lease liabilities	72.93	67.21	467.08	607.22
Other financial liabilities	86.86	-	-	86.86

49.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the 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 2021		31 March 2020	
	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency
EURO	43.91	0.51	50.98	0.61
USD	696.82	9.48	1,146.36	15.21
GBP	13.12	0.13	-	-
EURO	(57.69)	(0.67)	(70.59)	(0.85)
USD	(817.37)	(11.12)	(900.00)	(11.94)
GBP	-	-	(4.90)	(0.05)
JPY	(21.24)	(0.32)	-	-
AUD	-	-	0.19	0.00
Net exposure	**(142.45)**		**222.04**	

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.

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All amounts are in ₹ million unless otherwise stated

(i) Outstanding forward exchange contracts entered into by the Group as at 31 March 2021 and 31 March 2020:

Currency	Amount in US $ million			
	As at 31 March 2021	As at 31 March 2020	Buy / Sell	Cross currency
USD	-	1.10	Sell	INR
USD	1.40	6.73	Buy	INR
USD	0.93	0.36	Buy	BRL

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 2021	31 March 2020
10% decrease in foreign currency		
USD (Currency of U.S.A)	12.06	(24.64)
Euro (Currency of Europe)	1.38	1.96
Others	0.81	(0.02)
10% increase in foreign currency		
USD (Currency of U.S.A)	(12.06)	24.64
Euro (Currency of Europe)	(1.38)	(1.96)
Others	(0.81)	0.02

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 2021	31 March 2020
Fixed-rate instruments		
Financial assets		
- Margin money deposit	24.36	100.59
	24.36	**100.59**
Financial liabilities		
- Borrowings from bank	931.73	923.32
- Borrowings from others	90.96	273.24
	1,022.69	**1,196.56**
Variable-rate instruments		
Financial liabilities		
- Borrowings from bank	152.04	1,438.94
- Borrowings from others	1,072.24	806.91
	1,224.28	**2,245.85**

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to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Interest rate sensitivity analysis for variable-rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2021		
Variable-rate instruments	(12.24)	12.24
	(12.24)	**12.24**
31 March 2020		
Variable-rate instruments	(22.46)	22.46
	(22.46)	**22.46**

49.6 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. 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 2021, 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:

Particulars	31 March 2021	31 March 2020
(i) Borrowings (refer note i below)	2,246.97	3,442.41
(ii) Cash and bank balances	537.44	680.96
(iii) Other bank balances (margin money) (refer note ii below)	24.36	77.14
(iv) Current investment	56.55	401.79
Net debt [(i) - { (ii)+(iii)+(iv) }]	**1,628.62**	**2,282.52**
Equity attributable to owners of the Company	**7,276.51**	**6,871.04**
Gearing ratio (refer note iii below)	**22.38%**	**33.22%**

Notes:

(i) Borrowing is defined as long-term (including current maturity on long-term borrowings), short-term borrowings and judicial recovery.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio: Net debt / Equity.

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to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

50 Interest of major non controlling interest in Group activities:

Summarised balance sheet	Vila Vina. Participacions, S.L.	
	31 March 2021	31 March 2020
Current assets	1,802.50	1,735.36
Current liabilities	1,220.72	1,263.66
Net current assets	**581.78**	**471.70**
Non-current assets	1,106.95	1,112.39
Non-current liabilities	403.39	497.40
Net non-current assets	**703.56**	**614.99**
Net assets	**1,285.34**	**1,086.69**
Accumulated non-controlling interest	**482.77**	**410.03**

Summarised profit and loss	Vila Vina. Participacions, S.L.	
	31 March 2021	31 March 2020
Revenue	3,952.62	3,656.10
Profit for the year	175.56	106.58
Other comprehensive income	-	-
Total comprehensive income	**175.56**	**106.58**
Profit allocated to non-controlling interest	70.22	42.63
Dividends paid to non-controlling interest	13.16	17.64

51 Leases

a. Refer note 3 for movement of ROU assets.

b. Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	607.22	608.03
Additions	7.57	62.51
Payments	(106.39)	(105.56)
Accretion of interest	30.89	36.09
Translation reserve	8.73	6.15
Asset modification	4.58	-
Pre closure of Lease arrangement	(29.73)	-
Closing Balance	**522.87**	**607.22**
Current	453.97	534.29
Non-current	68.90	72.93

The effective interest rate for lease liabilities is in range from 1.50% to 24.00% per annum.

c. **Impact on statement of profit and loss decrease in profit for the year**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation expense of right-of-use assets	70.78	69.00
Interest expense on lease liabilities	30.89	36.09
Other expenses	10.41	6.85
Total	**112.08**	**111.94**

d. **Maturity analysis of leases**
Refer note 49.4 for maturity analysis of lease liabilities.

Notes

to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

e. Impact on the statement of cash flows is as below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payment of principal portion of lease liabilities	76.27	70.84
Payment of interest portion of lease liabilities	30.12	34.72
Net cash used in financing activities	**106.39**	**105.56**

52 Restated Consolidated Financial Statements for the year ended 31 March 2020 and as at 01 April 2019

During the year ended 31 March 2021, the Company has reviewed and revised the amounts of foreign currency translation of goodwill arising on acquisition of foreign subsidiaries. Goodwill arising on such business combinations is translated from functional currency of the respective foreign subsidiaries to INR. Hitherto, the Company was translating assets (other than goodwill) and liabilities of foreign subsidiaries including reserves on the date of acquisition, from functional currency of those subsidiaries into INR based on the closing exchange rates. For goodwill, the Company was translating the investment amount as appearing in the financial statements of intermediate holding company from its functional currency into INR and treating differential amount over the translated reserves on the date of acquisition as goodwill. This change has resulted in reduction of goodwill and foreign currency translation reserve by an amount of ₹ 556.56 and ₹ 368.34 as at 31 March 2020 and 01 April 2019, respectively. Consequently, Other Comprehensive Expenses for the year ended 31 March 2020 has increased by ₹ 188.22. There is no impact of the above change on the profit after tax for the year ended 31 March 2020.

Restated Consolidated Balance Sheet as on 31 March 2020 and 01 April 2019

	As at 31 March 2020			As at 01 April 2019		
	Reported	Restatement	Restated	Reported	Restatement	Restated
A ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	3,449.07	-	3,449.07	2,270.30	-	2,270.30
(b) Capital work-in-progress	110.65	-	110.65	172.00	-	172.00
(c) Goodwill	2,379.74	(556.56)	1,823.18	2,209.72	(368.34)	1,841.38
(d) Other intangible assets	493.45	-	493.45	501.39	-	501.39
(e) Intangible assets under development	23.59	-	23.59	54.15	-	54.15
(f) Financial assets						
(i) Investments	1,312.88	-	1,312.88	1,796.50	-	1,796.50
(ii) Other financial assets	68.03	-	68.03	49.77	-	49.77
(g) Deferred tax assets (net)	232.40	-	232.40	142.56	-	142.56
(h) Income tax assets (net)	56.81	-	56.81	45.81	-	45.81
(i) Other non-current assets	15.03	-	15.03	636.70	-	636.70
Total non-current assets	**8,141.65**	**(556.56)**	**7,585.09**	**7,878.90**	**(368.34)**	**7,510.56**
2. Current assets						
(a) Inventories	2,194.17	-	2,194.17	2,001.03	-	2,001.03
(b) Financial assets						
(i) Investments	401.79	-	401.79	4.70	-	4.70
(ii) Trade receivables	3,187.64	-	3,187.64	2,782.54	-	2,782.54
(iii) Cash and cash equivalents	680.96	-	680.96	677.89	-	677.89
(iv) Bank balances other than (iii) above	77.29	-	77.29	42.50	-	42.50
(v) Loans	3.48	-	3.48	6.07	-	6.07
(vi) Other financial assets	101.53	-	101.53	25.04	-	25.04
(c) Income tax assets (net)	7.27	-	7.27	5.41	-	5.41
(d) Other current assets	387.24	-	387.24	454.69	-	454.69
Total current assets	**7,041.37**	**-**	**7,041.37**	**5,999.87**	**-**	**5,999.87**
Total Assets	**15,183.02**	**(556.56)**	**14,626.46**	**13,878.77**	**(368.34)**	**13,510.43**

Notes

to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2020			As at 01 April 2019		
	Reported	Restatement	Restated	Reported	Restatement	Restated
B EQUITY AND LIABILITIES						
I Equity						
(a) Equity share capital	496.74	-	496.74	493.74		493.74
(b) Other equity	6,930.86	(556.56)	6,374.30	6,573.18	(368.34)	6,204.84
Equity attributable to owners of the Company	7,427.60	(556.56)	6,871.04	7,066.92	(368.34)	6,698.58
(c) Non-controlling interest	447.37	-	447.37	402.51	-	402.51
Total equity	**7,874.97**	**(556.56)**	**7,318.41**	**7,469.43**	**(368.34)**	**7,101.09**
II Liabilities						
1. Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	1,500.59	-	1,500.59	1,478.46	-	1,478.46
(ii) Other financial liabilities	668.43	-	668.43	380.33	-	380.33
(b) Provisions	95.69	-	95.69	81.53	-	81.53
(c) Deferred tax liabilities (net)	83.22	-	83.22	103.26	-	103.26
(d) Other non-current liabilities	13.13	-	13.13	22.96	-	22.96
Total non-current liabilities	**2,361.06**	**-**	**2,361.06**	**2,066.54**	**-**	**2,066.54**
2. Current liabilities						
(a) Financial liabilities						
(i) Borrowings	1,471.21	-	1,471.21	1,273.62	-	1,273.62
(ii) Trade payables	2,203.80	-	2,203.80	2,093.50	-	2,093.50
(iii) Other financial liabilities	881.40	-	881.40	706.06	-	706.06
(b) Provisions	25.49	-	25.49	20.46	-	20.46
(c) Current tax liabilities (net)	196.65	-	196.65	77.21	-	77.21
(d) Other current liabilities	168.44	-	168.44	171.95	-	171.95
Total current liabilities	**4,946.99**	**-**	**4,946.99**	**4,342.80**	**-**	**4,342.80**
Total liabilities	**7,308.05**	**-**	**7,308.05**	**6,409.34**	**-**	**6,409.34**
Total Equity and Liabilities	**15,183.02**	**(556.56)**	**14,626.46**	**13,878.77**	**(368.34)**	**13,510.43**

Reconciliation of Total Other Equity as at 31 March 2020 and 01 April 2019

Particulars	As at 31 March 2020	As at 31 March 2019
Total other equity as per reported financial statements	6,930.86	6,573.18
Restatement of goodwill	(556.56)	(368.34)
Total other equity as per restated financial statements	**6,374.30**	**6,204.84**

Restated consolidated statement of profit and loss for the year ended 31 March 2020

	Reported	Restatement	Restated
I Revenue from operations	11,792.44	-	11,792.44
II Other income	100.89	-	100.89
III Total income (I+II)	**11,893.33**	**-**	**11,893.33**
IV Expenses			
(a) Cost of materials consumed	5,086.92	-	5,086.92
(b) Purchases of stock-in-trade	888.90	-	888.90
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	74.69	-	74.69
(d) Employee benefits expense	1,650.59	-	1,650.59
(e) Finance costs	357.14	-	357.14
(f) Depreciation and amortisation expenses	506.22	-	506.22
(g) Other expenses	2,388.12	-	2,388.12
Total expenses (IV)	**10,952.58**	**-**	**10,952.58**

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to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

	Reported	Restatement	Restated
V Profit before tax (III-IV)	**940.75**	**-**	**940.75**
VI Tax expense / (credits)			
(a) Current tax	227.44	-	227.44
(b) Deferred tax	(104.83)	-	(104.83)
(c) Current tax of prior period reversed	(2.32)	-	(2.32)
Total tax expenses	**120.29**	**-**	**120.29**
VII Profit after tax (V-VI)	**820.46**	**-**	**820.46**
VIII Other comprehensive income / (expenses)			
A. Items that will not be reclassified to profit or loss			
(a) Remeasurement gain / (loss) on defined benefit plans	(7.10)	-	(7.10)
(b) Fair value gain / (loss) from investment in equity instruments	(483.68)	-	(483.68)
(c) Deferred tax relating to items that will not be reclassified to profit or loss	1.26	-	1.26
B. Items that will be reclassified to profit or loss			
(a) Exchange differences on translation of foreign operations	273.96	(188.22)	85.74
(b) Exchange differences on net investment in foreign operations	(102.30)	-	(102.30)
Total other comprehensive expenses (net of tax)	**(317.86)**	**(188.22)**	**(506.08)**
IX Total comprehensive income for the year, net of tax (VII+VIII)	**502.60**	**(188.22)**	**314.38**
Profit for the year attributable to:			
- Owners of the Company	699.05	-	699.05
- Non-controlling interest	121.41	-	121.41
	820.46	**-**	**820.46**
Other comprehensive income / (expenses) for the year attributable to:			
- Owners of the Company	(319.75)	(188.22)	(507.97)
- Non-controlling interest	1.89	-	1.89
	(317.86)	**(188.22)**	**(506.08)**
Total comprehensive income for the year attributable to:			
- Owners of the Company	379.30	(188.22)	191.08
- Non-controlling interest	123.30	-	123.30
	502.60	**(188.22)**	**314.38**

53 During the closing for the year ended 31 March 2021 ("Current Financial Year"), the Management detected the following viz.

a. certain instances, wherein revenue in respect of certain sales transactions of the Company and of a subsidiary company, was recognised on dates earlier to those allowed by the Group's revenue recognition policy, and

b. certain instances of modifications to certain underlying documents relating to revenue recognition, leading to non-adherence with the Group's accounting policy and processes.

The Management performed a detailed review including examination by an external independent agency and traced all cases of such non-adherence during the Current Financial Year. This revealed that (i) in respect of sales transactions aggregating ₹ 417.77, revenue was recognised on dates earlier to those allowed by the Group's revenue recognition policy, although all such recognition of revenue was within the Current Financial Year and (ii) in respect of sales transactions aggregating ₹ 88.30, the recognition of revenue (initially sought to be recognised in the Current Financial Year) was deferred in line with the Group's revenue recognition policy to the next financial year.

The Group has corrected the processes leading to such non-adherence related to revenue recognition and will continue to strengthen internal control system further and therefore does not expect any continuing impact.

Notes
to the consolidated financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

54 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 is 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.

55 Government of India vide press release dated 31 December 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 01 January 2021. With the introduction of the RoDTEP scheme, the benefit of Merchandise Exports from India Scheme (MEIS) stood withdrawn wef 01 January 2021. Considering that the rates of RoDTEP are yet to be notified, the Group has not accrued income relating to benefits of RoDTEP scheme for the period 01 January 2021 to 31 March 2021.

56 Exports incentives are recognised based on certainty of receipt. During the year ended 31 March 2020, an amount of ₹ 49.86 of export incentive income pertaining to past invoices has been recognised as attached condition of certainty is met.

57 During the year ended 31 March 2020, past indirect input tax credits of ₹ 30.35 is expensed out due to uncertainty in realisation of the same.

58 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

59 The consolidated financial statement were approved for issue by the board of directors on 30 June 2021.

As per our report of even date

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

Per **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN: 06805265

Sharat Narasapur
Joint Managing Director
DIN: 02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

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, 2021, 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, 2021, its profit including other comprehensive income, 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, 2021. 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
(a) Impairment assessment on investment in subsidiaries and amount due from subsidiaries (as described in Note 5 and 6 of the standalone financial statements)	
As disclosed in notes 5 and 6 of standalone financial statements, the Company has investments in subsidiaries of ₹6,081.93 million and amount due from subsidiary of ₹2,207.30 million as at March 31, 2021. The said investments and amount due are carried at cost less allowance for impairment, if any. The Management reviews regularly 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 each investment 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 performed the following audit procedures, among others: • We obtained an understanding, evaluated the design, implementation 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 on investments and amount due from subsidiaries. In cases 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 projections used to determine the recoverable amount valuations, in particular those assumptions relating to the cash flows, sales growth rate, pre-tax discount rate used. • We compared the historical cash flows (including for current year) against past projections of the management and gained understanding of the rationale for the changes. • We involved valuation specialists to review key assumptions considered in the recoverable amount determination. • We compared the carrying values of the Company's investments in 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.
b) Revenue Recognition under Ind AS 115, "Revenue from contracts with customers" (as described in note 31 and 54 of the standalone financial statements)	
The Company recognizes revenue from sale of API and Intermediates based on the terms and conditions of transactions which vary with different customers operating in different geographies. Revenue is one of the key performance indicators of the Company. The management detected certain instances wherein revenue in respect of certain sales transactions of the Company was recognized on dates earlier to those allowed by the Company's revenue recognition policy, leading to non-adherence with the Company's accounting policy. The management performed a detailed review including examination by an external independent agency and traced all cases of such non-adherence during the current financial year, wherein recognition of revenue was accelerated during interim periods in the current financial year. The Company has recorded appropriate adjustments in this regard as at March 31, 2021. Considering the above matter requiring significant audit attention, we have determined this to be a key audit matter.	We performed the following audit procedures, among others: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the revenue recognition. • We read and understood the Company's accounting policy for recognition of revenue as per Ind AS 115. • We read the management note 54 of the standalone financial statements, minutes of meeting of board and audit committee and the report submitted by the external independent agency. • We performed analytical procedures of disaggregated data of revenue transactions during the audit period to identify any unusual trends. • 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 performed a review of the report of the independent agency and the adjustments recorded by management at the year end. • We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required.

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 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 standalone 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 standalone 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, 2021 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, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 21093649AAAACB7268

Place of Signature: Mumbai
Date: June 30, 2021

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: SeQuent Scientific Limited ('the Company')

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

(b) All fixed assets 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) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) As explained to us, the above loans and interest thereon, are re-payable on demand. We are informed that the loan and interest thereon were repaid as and when demanded by the Company. Hence, there has been no default on the part of the companies to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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) Undisputed statutory dues including employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of provident fund and income-tax.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Period to which the amount relates (FY)	Forum where dispute is pending	Amount (₹ In millions)
Income Tax Act, 1961	Income Tax	AY 2006-07	Income Tax Appellate Tribunal	0.27
		AY 2016-17	Commission of Income Tax	2.36
		AY 2017-18		15.01

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding dues in respect of a financial institution, government or debenture holders during the year.

(ix) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the company by way of term loans were applied for the purpose for which they were raised. Further, according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments.

(x) As more fully explained in note 54 to the standalone financial statements, the management detected certain employees of the Company had not adhered to the Company's accounting policy for revenue recognition with an objective of early revenue recognition in the current year including interim periods. Based on the detailed examination of transactions, the Company has identified sales aggregating ₹87.36 million which were recognised on dates earlier to those allowed by the Company's revenue recognition policy, although within the current financial year and transactions aggregating ₹11.76 million pertaining to next financial year are accordingly deferred in the standalone financial statements.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 21093649AAAACB7268

Place of Signature: Mumbai
Date: June 30, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEQUENT SCIENTIFIC LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of SeQuent Scientific Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, in our opinion, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone financial statements as at March 31, 2021:

The Company did not have appropriate internal control system for fraud prevention and detection for revenue recognition and internal control over revenue, as evidenced by instances of certain non-adherences of the Company's revenue recognition policy resulting in early revenue recognition, which could potentially result in material misstatement in Revenue and Profit from Operations.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, maintained internal financial controls with reference to standalone financial statements as of March 31, 2021, 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 ICAI,.

Other matters

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, and the related 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2021 and this report does not affect our report dated June 30, 2021, which expressed an unqualified opinion on those standalone financial statements.

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

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 21093649AAAACB7268

Place of Signature: Mumbai
Date: June 30, 2021

Balance Sheet

as at 31 March 2021

All amounts are in ₹ million unless otherwise stated

	Notes	As at 31 March 2021	As at 31 March 2020
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	641.06	664.97
(b) Capital work-in-progress		43.40	37.17
(c) Intangible assets	4	16.75	29.15
(d) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	5	6,081.93	6,076.84
(b) Other investments	5	769.18	1,312.68
(ii) Loans	6	2,207.30	584.64
(iii) Other financial assets	7	9.96	16.38
(e) Deferred tax assets (net)	8	19.06	84.97
(f) Income tax assets (net)	9	41.13	40.27
(g) Other non-current assets	10	5.80	9.91
Total non-current assets		**9,835.57**	**8,856.98**
2. Current assets			
(a) Inventories	11	457.90	314.19
(b) Financial assets			
(i) Investments	12	0.65	187.54
(ii) Trade receivables	13	614.35	407.88
(iii) Cash and cash equivalents	14	4.35	28.73
(iv) Bank balances other than (iii) above	15	3.05	8.45
(v) Loans	16	0.28	0.28
(vi) Other financial assets	17	21.86	24.04
(c) Other current assets	18	83.21	145.61
Total current assets		**1,185.65**	**1,116.72**
Total Assets		**11,021.22**	**9,973.70**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	496.74	496.74
(b) Other equity	20	9,798.37	8,365.43
Total Equity		**10,295.11**	**8,862.17**
II Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	151.65
(ii) Other financial liabilities	22	1.17	4.41
(b) Provisions	23	22.99	22.83
(c) Other non-current liabilities	24	-	3.01
Total non-current liabilities		**24.16**	**181.90**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	52.17	143.89
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	26	63.05	41.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	524.43	601.67
(iii) Other financial liabilities	27	13.68	82.51
(b) Provisions	28	6.56	1.40
(c) Current tax liabilities (Net)	29	27.23	48.01
(d) Other current liabilities	30	14.83	10.45
Total current liabilities		**701.95**	**929.63**
Total liabilities		**726.11**	**1,111.53**
Total Equity and Liabilities		**11,021.22**	**9,973.70**
Significant accounting policies	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 **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN:06805265

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Statement of Profit and Loss

for the year ended 31 March 2021

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

		Notes	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	31	2,654.57	2,273.33
II	Other income	32	199.66	145.61
III	**Total income (I+II)**		**2,854.23**	**2,418.94**
IV	**Expenses**			
	(a) Cost of materials consumed	33.a	1,158.81	1,086.91
	(b) Purchases of stock-in-trade	33.b	85.45	82.43
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33.c	(155.60)	(38.92)
	(d) Employee benefits expense	34	224.19	170.97
	(e) Finance costs	35	26.80	50.35
	(f) Depreciation and amortisation expenses	36	91.28	89.50
	(g) Other expenses	37	988.82	749.57
	Total expenses (IV)		**2,419.75**	**2,190.81**
V	**Profit before tax and exceptional item (III-IV)**		**434.48**	**228.13**
VI	Exceptional items (VI)	38	25.61	-
VII	**Profit before tax (V-VI)**		**408.87**	**228.13**
VIII	**Tax expenses**	40		
	(a) Current tax		73.05	31.83
	(b) Deferred tax		26.89	(17.11)
	(c) Current tax of prior period reversed		(12.20)	-
	Total tax expenses (VIII)		**87.74**	**14.72**
IX	**Profit after tax (VII-VIII)**		**321.13**	**213.41**
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		(0.45)	(2.97)
	(b) Fair value gain/(loss) from investment in equity instruments		1,030.11	(483.68)
	(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		(39.03)	0.83
	Total other comprehensive income/(expenses) (net of tax) (X)		**904.77**	**(485.82)**
XI	**Total comprehensive income/(expenses) for the year, net of tax (IX+X)**		**1,225.90**	**(272.41)**
	Earnings per equity share (face value of ₹ 2 each)	39		
	(1) Basic (in ₹)		1.30	0.88
	(2) Diluted (in ₹)		1.30	0.87
	Significant accounting policies	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 **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN:06805265

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

Statement of Cash Flows

for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities			
Net profit before tax and exceptional items		434.48	228.13
Adjustments for:			
Depreciation and amortisation expenses		91.28	89.50
Property, plant and equipment written off		21.99	-
Provision for trade receivables written back		(0.29)	-
Unrealised forex gain (net)		(10.58)	(10.82)
Finance costs		26.80	50.35
Dividend income		(9.94)	(52.64)
Fair value of corporate guarantee income		(1.40)	(1.55)
Interest income		(107.14)	(63.72)
Profit on sale of property, plant and equipment (net)		(0.09)	(0.02)
Share-based payments to employees		25.52	14.50
Corporate guarantee commission		(9.37)	(5.18)
Gain on sale of investments		(15.61)	-
Fair value gain on financial instruments measured at fair value through profit or loss		-	(2.99)
Operating profit before working capital changes		**445.65**	**245.56**
Changes in working capital			
(Increase) in trade receivables, loans and advances and other assets		(64.65)	(2.16)
(Increase) in inventories		(143.71)	(60.90)
(Increase)/decrease in margin money and unpaid dividend accounts		5.40	(0.34)
Increase/(decrease) in trade payables, other payables and provisions		(51.74)	141.75
Net change in working capital		**(254.70)**	**78.35**
Cash generated by operations		**190.95**	**323.91**
Income taxes paid (net)		(167.57)	(21.87)
Net cash generated from operating activities	**(A)**	**23.38**	**302.04**
Cash flows from investing activities			
Purchase of property, plant and equipments and intangible assets		(95.18)	(53.92)
Proceeds from disposal of property, plant & equipments		0.23	0.04
Purchase of current investments		(1,570.90)	(204.00)
Sale of current investments		1,773.50	20.00
Proceeds from sale of long term investments		1,573.44	-
Interest received		9.76	8.39
Dividend received		9.16	52.64
Net cash generated from/(used in) investing activities	**(B)**	**1,700.01**	**(176.85)**

Statement of Cash Flows

for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from financing activities			
Proceeds from/(repayment of) short-term borrowings (net)		(91.72)	(44.93)
Payment of principal portion of lease liabilities		(4.67)	(3.90)
Loan given to subsidiary company		(1,534.50)	-
Loan repaid by subsidiary company		9.60	73.00
Proceeds from long-term borrowings		-	236.17
Repayment of long-term borrowings		(208.37)	(281.70)
Proceeds from stock options exercised by employees		104.49	20.99
Interest and other borrowing cost paid		(22.60)	(48.49)
Dividend paid		-	(48.56)
Dividend distribution tax paid		-	(9.70)
Net cash used in financing activities	**(C)**	**(1,747.77)**	**(107.12)**
Net increase/(decrease) in cash and cash equivalents during the year	**(A+B+C)**	**(24.38)**	**18.07**
Cash and cash equivalents at the beginning of the year (refer note 14)		28.73	10.66
Cash and cash equivalents at the end of the year (refer note 14)		**4.35**	**28.73**

Note: The statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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 **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN:06805265

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 2021

(a) Equity share capital

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	248,370,995	496.74	246,870,995	493.74
Issued during the year	-	-	1,500,000	3.00
Balance at the end of the year	**248,370,995**	**496.74**	**248,370,995**	**496.74**

(b) Other equity

	Reserves & surplus (note 20)							
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings	Reserve for equity instruments through other comprehensive income (note 20)	Total
Opening balance as on 01 April 2019	10.65	8,490.36	188.85	152.05	(161.34)	(626.50)	630.10	8,684.17
Transition impact of Ind AS 116 Leases	-	-	-	-	-	(1.16)	-	(1.16)
Restated as at 01 April 2019	10.65	8,490.36	188.85	152.05	(161.34)	(627.66)	630.10	8,683.01
Profit for the year	-	-	-	-	-	213.41	-	213.41
Other comprehensive expenses for the year, net of income tax	-	-	-	-	-	(2.14)	(483.68)	(485.82)
Total comprehensive income/(expenses) for the year	**-**	**-**	**-**	**-**	**-**	**211.27**	**(483.68)**	**(272.41)**
Recognition of share-based payments	-	-	1.46	-	-	-	-	1.46
Employee stock options issued during the year	-	-	-	-	14.63	-	-	14.63
Premium on exercise of options - proceeds received	-	26.50	(26.50)	-	-	-	-	-
Shares issued during the year to ESOP trust	-	86.96	-	-	(89.96)	-	-	(3.00)
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	(58.26)	-	(58.26)
Vested ESOP lapsed during the year	-	-	(22.91)	22.91	-	-	-	-
Balance as at 31 March 2020	**10.65**	**8,603.82**	**140.90**	**174.96**	**(236.67)**	**(474.65)**	**146.42**	**8,365.43**

(b) Other equity (Continued)

All amounts are in ₹ million unless otherwise stated

	Reserves & surplus (note 20)							
	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings	Reserve for equity instruments through other comprehensive income (note 20)	Total
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 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**

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 **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director &
Chief Executive Officer
DIN:06805265

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 2021

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 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. 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 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.

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.

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.

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

Notes
to the standalone financial statements for the year ended 31 March 2021

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.

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 to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

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.

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 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
Furniture and fixtures	2-16
Office Equipments	2-5
Vehicles	3-8

Notes

to the standalone financial statements for the year ended 31 March 2021

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

Depreciation on additions/deletions to property, plant and equipments is provided prorata from the month of addition/till the month of deletion.

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

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

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

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.

Notes

to the standalone financial statements for the year ended 31 March 2021

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

(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

Notes
to the standalone financial statements for the year ended 31 March 2021

are disclosed in the notes to standalone financial statements when economic inflow is probable.

xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

All financial instruments are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the standalone statement of profit and loss.

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

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

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

a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

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

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

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.

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

(iv) Derecognition of financial assets

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

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

(ii) Financial liabilities at fair value through profit or loss (FVTPL)

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

iii) Derecognition of financial liabilities

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

c) Derivative financial instruments

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

xiii. Impairment

a) Financial assets

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

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

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

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

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

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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:

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 Company does not reduce impairment allowance from the gross carrying amount.

b) **Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss recognised in prior years are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised in previous year

xiv. Earnings per share

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

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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The right-of-use assets are also subject to impairment. Refer to the accounting policies (xiii)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of the assets	Useful life in years
ROU-Land	50-85
ROU- Server	5
ROU- Vehicle	4

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.

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.

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.

Notes

to the standalone financial statements for the year ended 31 March 2021

In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

i. Useful life of property, plant and equipment and intangible assets

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

ii. Impairment

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

iii. Deferred tax

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

iv. Fair value

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

v. Post-retirement benefit plans

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

vi. Provisions and contingencies

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

vii. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses black scholes model Employee Share Option Plan. The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 46.

Notes

to the standalone financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

3 Property, plant and equipment

Cost	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Server	ROU-Vehicles	Total
Balance as on 31 March 2019	0.36	290.57	5.34	7.44	13.33	306.09	2.30	-	-	-	625.43
Transition impact of Ind AS 116 Leases	-	-	-	-	-	-	-	219.89	9.21	-	229.10
Restated Balance as on 01 April 2019	**0.36**	**290.57**	**5.34**	**7.44**	**13.33**	**306.09**	**2.30**	**219.89**	**9.21**	**-**	**854.53**
Additions	-	4.30	1.23	0.76	0.48	20.70	-	-	-	2.62	30.09
Deletions	-	-	-	-	0.11	-	-	-	-	-	0.11
Balance as on 31 March 2020	**0.36**	**294.87**	**6.57**	**8.20**	**13.70**	**326.79**	**2.30**	**219.89**	**9.21**	**2.62**	**884.51**
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**	**219.89**	**9.21**	**2.62**	**920.02**

Accumulated depreciation	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Server	ROU-Vehicles	Total
Restated Balance as on 01 April 2019	**-**	**17.09**	**1.90**	**4.51**	**6.72**	**112.98**	**0.78**	**-**	**-**	**-**	**143.98**
Depreciation expense for the year (refer note 36)	-	10.28	0.39	1.31	2.22	53.34	0.39	3.88	3.57	0.27	75.65
Deletions	-	-	-	-	0.09	-	-	-	-	-	0.09
Balance as on 31 March 2020	**-**	**27.37**	**2.29**	**5.82**	**8.85**	**166.32**	**1.17**	**3.88**	**3.57**	**0.27**	**219.54**
Depreciation expense for the year (refer note 36)	-	11.46	1.16	1.08	2.41	54.10	0.18	3.88	3.56	0.66	78.49
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**	**7.76**	**7.13**	**0.93**	**278.96**

Carrying amount	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	ROU-Land	ROU-Server	ROU-Vehicles	Total
Balance as on 31 March 2020	0.36	267.50	4.28	2.38	4.85	160.47	1.13	216.01	5.64	2.35	664.97
Balance as on 31 March 2021	0.36	248.34	6.20	2.35	4.63	162.33	0.95	212.13	2.08	1.69	641.06

Notes:

i) Title deeds of all the immovable properties are held in the name of the Company.

ii) Refer Note 21 and 25 for charge created on the assets.

iii) Refer Note 42 for capital commitments.

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to the standalone financial statements for the year ended 31 March 2021

All amounts are in ₹ million unless otherwise stated

4 Intangible assets

Cost	Product/process development	Software	Total
Restated Balance as on 01 April 2019	43.40	64.45	107.85
Additions	-	0.61	0.61
Deletions	-	-	-
Balance as on 31 March 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**

Accumulated amortisation	Product/process development	Software	Total
Restated Balance as on 01 April 2019	38.51	26.54	65.05
Amortisation expense for the year (refer note 36)	3.20	11.06	14.26
Deletions	-	-	-
Balance as on 31 March 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**

Carrying amount	Product/process development	Software	Total
Balance as on 31 March 2020	1.69	27.46	29.15
Balance as on 31 March 2021	-	16.75	16.75

5 Non-current investments

		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020
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	5,939.84	47,776,470	5,934.75
ii)	SeQuent Research Limited	₹10.00	4,410,000	142.09	4,410,000	142.09
iii)	Elysian Life Sciences Private Limited (refer note 45.3)	₹10.00	11,218,178	112.18	10,000	0.10
	Less: Provision for other than temporary diminution in value of investments			112.18		0.10
				-		-
	Total (A)			**6,081.93**		**6,076.84**
B	**Other Investments**					
a	**Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income**					
i)	Strides Pharma Science Limited	₹10.00	-	-	3,312,500	1,067.12
ii)	Solara Active Pharma Sciences Limited	₹10.00	552,083	769.13	552,083	245.43
				769.13		**1,312.55**
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**

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		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020
c	**Investment in government securities carried at amortised cost**					
i)	National Saving Certificate			-		0.02
ii)	NSC VIII Issue			-		0.06
				-		**0.08**
	Total (B)			**769.18**		**1,312.68**
	Total (A+B)			**6,851.11**		**7,389.52**
	Aggregate carrying value of unquoted investments (gross)			6,194.16		6,077.07
	Aggregate market value of quoted investments			769.13		1,312.55
	Aggregate amount of impairment in value of investments			112.18		0.10

6 Non-current loans

	As at 31 March 2021	Maximum balance during the year	As at 31 March 2020	Maximum balance during the year
Unsecured, considered good				
Loan to related parties (refer note 45.3)				
- Alivira Animal Health Limited, India	2,207.30	2,207.30	575.25	575.25
- SeQuent Research Limited	-	9.62	9.39	78.57
Total	**2,207.30**	**2,216.92**	**584.64**	**653.82**

Notes:

i) All the above loans have been given for business purposes.

ii) The above disclosure is pursuant to SEBI (Listing Obligations and Disclosure Requirements) and Section 186 (4) of the Companies Act, 2013.

7 Other non-current financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	9.96	7.98
Margin money deposits	-	8.40
Total	**9.96**	**16.38**

8 Deferred tax assets (net) (refer note 40)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
- Temporary differences on account of depreciation	1.02	9.86
- Temporary Differences of quoted equity instruments valued at fair value	67.78	-
Total deferred tax liabilities (A)	**68.80**	**9.86**
Deferred tax assets		
- Expenses allowable on payment basis	10.27	10.23
- Unabsorbed depreciation and carried forward of losses	-	17.95
- MAT credit entitlement	77.59	66.65
Deferred tax assets (B)	**87.86**	**94.83**
Total (B-A)	**19.06**	**84.97**

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All amounts are in ₹ million unless otherwise stated

9 Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provisions: ₹42.95) (31 March 2020: ₹18.06)	41.13	40.27
Total	**41.13**	**40.27**

10 Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	1.19	2.96
Deposit with government authorities	1.73	1.41
Prepaid expenses	2.88	5.54
Total	**5.80**	**9.91**

11 Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials and packing materials	104.06	94.93
Goods-in transit	0.40	22.24
	104.46	**117.17**
Work-in-progress and intermediates (refer note (i) below)	237.23	154.01
Finished goods	100.74	40.92
Goods-in transit	12.56	-
	113.30	**40.92**
Fuel	2.91	2.09
Total inventories (lower of cost and net realisable value)	**457.90**	**314.19**

Note:

(i) Details of inventory of work-in-progress and intermediates:

	As at 31 March 2021	As at 31 March 2020
Bulk drugs	237.23	154.01

(ii) During the year ended 31 March 2021, ₹6.50 (31 March 2020: ₹8.83) was recognised as an expense towards provision for slow moving inventories.

12 Current investments

		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020
A	**Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income**					
i)	Transchem Limited	₹10.00	26,077	0.45	26,077	0.42
ii)	Techindia Nirman Limited	₹10.00	2,280	0.01	2,280	- *
iii)	Agritech (India) Limited	₹10.00	6,300	0.19	6,300	0.13
	Total (A)			**0.65**		**0.55**
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)			**-**		**-**

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All amounts are in ₹ million unless otherwise stated

		Face Value	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020
C	**Unquoted mutual funds carried at fair value through profit or loss**					
i)	Axis Treasury Advantage Fund - Regular Growth	₹1000.00		-	13,632.72	30.75
ii)	IDFC Low Duration Fund Growth (Regular Plan)	₹100.00		-	891,710.66	25.47
iii)	Aditya Birla Sun Life Liquid Fund- Growth	₹100.00		-	253,825.21	80.65
iv)	Aditya Birla Sun Life Money Manager Fund Growth	₹100.00		-	76,196.46	20.51
v)	Aditya Birla Sun Life Savings Fund- Growth	₹100.00		-	22,980.05	9.14
vi)	ICICI Prudential Money Market Fund-Growth	₹100.00		-	73,755.56	20.47
	Total (C)			**-**		**186.99**
	Total (A + B + C)			**0.65**		**187.54**
	Aggregate market value of quoted investments			0.65		0.55
	Aggregate carrying value of unquoted investments			- *		- *
	Aggregate net asset value of investment in mutual funds			-		186.99

* represents amount lower than ₹10,000

13 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	614.35	407.88
Unsecured, considered doubtful	0.61	2.15
	614.96	**410.03**
Impairment allowance (allowance for bad and doubtful debts)		
Less: Allowance for doubtful trade receivables	0.61	2.15
Total	**614.35**	**407.88**

Note:

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
2. Refer note 48.3 for terms and other details.

14 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	4.32	28.69
Cash on hand	0.03	0.04
Total	**4.35**	**28.73**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**4.35**	**28.73**

15 Bank balances other than (note 14) above

	As at 31 March 2021	As at 31 March 2020
In earmarked accounts		
- Unpaid dividend accounts	0.16	0.15
- Margin money deposits (refer note below)	2.89	8.30
Total	**3.05**	**8.45**

Note:

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

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16 Current loans

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loan to employees	0.28	0.28
	0.28	**0.28**
Unsecured, considered doubtful		
Loan to related parties (refer note 45.3)	-	112.08
	-	**112.08**
Less: Allowance for doubtful advances	-	112.08
	-	-
Total	**0.28**	**0.28**

17 Other current financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Claims receivable	21.64	23.54
Derivative instruments (fair value)	0.10	-
Interest accrued on fixed deposits	0.12	0.50
Total	**21.86**	**24.04**

18 Other current assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance to suppliers	2.14	8.00
Balances with government authorities	67.31	125.52
Prepaid expenses	13.76	12.09
Total	**83.21**	**145.61**

19 Share capital

	No. of shares	As at 31 March 2021	No. of shares	As at 31 March 2020
(a) Authorised				
Equity shares of ₹2 each	400,000,000	800.00	250,000,000	500.00
(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 as on 01 April 2019	246,870,995	493.74
Shares issued during the year	1,500,000	3.00
Balance as on 31 March 2020	**248,370,995**	**496.74**
Shares issued during the year	-	-
Balance as on 31 March 2021	**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.

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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 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	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	13,357,627	5.38%	14,138,395	5.69%
K R Ravishankar	-	-	27,899,930	11.23%
Chayadeep Ventures LLP	-	-	25,124,997	10.12%
Agnus Capital LLP	-	-	21,157,560	8.52%
Arun Kumar Pillai	-	-	23,499,965	9.46%
Pronomz Ventures LLP	-	-	27,000,000	10.87%

(iv) 1,491,250 shares of ₹2 each (as at 31 March 2020: 4,934,750 shares) are reserved towards outstanding employee stock options granted/available for grant.

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

	As at 31 March 2021	As at 31 March 2020
Equity shares	-	1,79,27,065

(vi) Dividend paid and proposed

Particulars	31 March 2021	31 March 2020
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: ₹ NIL per share (31 March 2019: ₹0.20 per share)	-	48.56
Dividend Distribution Tax on final dividend	-	9.70
	-	**58.26**
Proposed dividends on Equity shares:		
Proposed dividends for the year ended on 31 March 2021: ₹0.50 per share (31 March 2020: ₹ NIL per share)	124.19	-
Dividend Distribution Tax on proposed dividend	-	-
	124.19	**-**

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend.

20 Other equity

	As at 31 March 2021	As at 31 March 2020
Capital reserve	10.65	10.65
Securities premium account	8,726.86	8,603.82
Share options outstanding account	77.66	140.90
General reserve	174.96	174.96
Retained earnings	280.31	(474.65)
Reserve for equity instruments through other comprehensive income	617.36	146.42
Treasury reserve	(89.43)	(236.67)
Total	**9,798.37**	**8,365.43**

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	As at 31 March 2021	As at 31 March 2020
(a) Capital reserve	**10.65**	**10.65**
(b) Securities premium account		
Balance at the beginning of the year	8,603.82	8,490.36
Add: Premium on exercise of options - proceeds received	123.04	26.50
Add: Premium on shares issued to ESOP trust	-	86.96
Balance at the end of the year	**8,726.86**	**8,603.82**
(c) Share options outstanding account		
Balance at the beginning of the year	140.90	188.85
Add: Employee stock option expenses	59.80	1.46
Less: Transferred to securities premium account on exercise	(123.04)	(26.50)
Less: Transferred to general reserve on vested ESOP lapsed during the year	-	(22.91)
Balance at the end of the year	**77.66**	**140.90**
(d) General reserve		
Balance at the beginning of the year	174.96	152.05
Add: Transferred from share option oustanding account on vested ESOP lapsed during the year	-	22.91
Balance at the end of the year	**174.96**	**174.96**
(e) Retained earnings		
Balance at the beginning of the year	(474.65)	(626.50)
Less: Transition impact of Ind AS 116 Leases	-	(1.16)
Add: Profit for the year	321.13	213.41
Less: Other comprehensive expenses arising from remeasurement of defined benefit obligations, net of income tax	(0.32)	(2.14)
Add: Transfer from reserve for equity instruments through other comprehensive income on sales of quoted equity investments carried at FVTOCI	434.15	-
Less: Dividends distributed to equity shareholders (including tax on dividend)	-	(58.26)
Balance at the end of the year	**280.31**	**(474.65)**
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	146.42	630.10
Add/less: Net fair value gain/(loss) on investment in equity instruments at FVTOCI	1,030.11	(483.68)
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	(39.16)	-
Balance at the end of the year	**617.36**	**146.42**
(g) Treasury reserve		
Balance at the beginning of the year	(236.67)	(161.34)
Add: Employee stock options issued during the year	147.24	14.63
Less: Shares issued during the year to ESOP trust	-	(89.96)
Balance at the end of the year	**(89.43)**	**(236.67)**

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.

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(c) Share options outstanding account

This relate to shares granted to the employees of the Company and its subsidiaries.

(d) General reserve

During the previous year, 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.

(g) Treasury reserve

Treasury reserve represents the shares of the Company held by ESOP Trust.

21 Non-current borrowings

	As at 31 March 2021	As at 31 March 2020
Secured term loan - at amortised cost		
From bank	-	151.65
Total	**-**	**151.65**

Notes:

(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 2021	As at 31 March 2020
Term loan from banks:			
ICICI Bank Ltd: Exclusive charge on the entire movable and immoveable fixed assets, both present and future, located at Mahad Plant, Exclusive charge on the current assets of the Company, both present and future and unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India	Repayable in 17 quarterly equal instalments, commencing from November 2019. Repaid fully in November 2020	-	151.65
Total		**-**	**151.65**

(ii) The interest on above term loans from banks were linked to the lender's base rates which is floating in nature. During the year, interest rates ranges from 9.90% to 11.55% per annum.

(iii) For the current maturities of long-term borrowings, refer note 27 in other current financial liabilities.

(iii) The Company has satisfied all the covenants prescribed in the terms of borrowings.

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22 Other non-current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Lease liabilities (refer note 47)	1.17	4.41
Total	**1.17**	**4.41**

23 Non-current provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Gratuity (refer note 41)	17.79	13.13
Compensated absences (refer note below)	5.20	9.70
Total	**22.99**	**22.83**

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

24 Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Corporate guarantee liability	-	3.01
Total	**-**	**3.01**

25 Current borrowings

	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand		
Secured loan - at amortised cost		
From banks (refer notes below)	52.17	143.89
Total	**52.17**	**143.89**

Notes:

(i) Working capital loan from banks are secured by an 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 7.80% to 9.45% per annum (31 March 2020: 9.15% to 10.50% per annum).

26 Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	63.05	41.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	524.43	601.67
Total	**587.48**	**643.37**

Notes:

(i) Trade payables (other than due to micro enterprises and small 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 48.

(iii) Refer note 45.3 for dues payable to related parties.

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27 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings *	-	55.18
Unclaimed dividends	0.16	0.15
Payables on purchase of property, plant and equipment	8.91	22.51
Lease liabilities (refer note 47)	3.24	4.67
Others	1.37	-
Total	**13.68**	**82.51**

* The details of interest rates, repayment terms, securities, guarantees and others terms are disclosed under note 21. Details of current maturities of long-term borrowings are as below:

	As at 31 March 2021	As at 31 March 2020
Secured term loan from banks		
ICICI Bank Ltd	-	55.18
Total	**-**	**55.18**

28 Current provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences	6.56	1.40
Total	**6.56**	**1.40**

29 Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax: ₹264.29) (31 March 2020: ₹122.76)	27.23	48.01
Total	**27.23**	**48.01**

30 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory remittances	13.08	7.15
Advance from customers	0.65	0.93
Corporate guarantee liability	1.10	2.37
Total	**14.83**	**10.45**

31 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products (refer note below)	2,618.22	2,233.31
Other operating revenues		
Sale of scrap	1.89	1.86
Duty drawback and other export incentives	20.33	27.76
Processing and conversion charges (refer note 45.2)	14.13	10.40
Total	**2,654.57**	**2,273.33**

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(i) Sale of products comprises:	Year ended 31 March 2021	Year ended 31 March 2020
(a) Manufactured goods		
Bulk drugs	2,491.31	2,131.50
Total	**2,491.31**	**2,131.50**
(b) Traded goods		
Bulk drugs	98.82	62.84
Chemicals	28.09	38.97
Total	**126.91**	**101.81**
Total- Sale of products	**2,618.22**	**2,233.31**

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognised at a point in time when the Company transfers control over the product to the customer.

(iii) Reconciliation of revenue from sale of products with the contracted price:

	Year ended 31 March 2021	Year ended 31 March 2020
Contracted price	2,650.57	2,254.82
Less: trade discounts and sales returns	32.35	21.51
Sale of products	**2,618.22**	**2,233.31**

32 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income (refer note (i) below)	107.14	63.72
Profit on sale of property, plant and equipments (net)	0.09	0.02
Other non-operating income (refer note (ii) below)	62.89	13.93
Dividend income	9.94	52.64
Net gain on foreign currency transactions and translation	2.30	10.76
Fair value gain on financial instrument at fair value through profit or loss	-	2.99
Gain on sale of investments	15.61	-
Fair value of corporate guarantee income*	1.40	1.55
Provision for trade receivables written back	0.29	-
Total	**199.66**	**145.61**
(i) Interest income comprises:		
Interest on:		
Bank deposits	0.67	1.20
Loans to subsidiary companies (refer note 45.2)	105.69	61.21
Others	0.78	1.31
Total	**107.14**	**63.72**
(ii) Other non-operating income comprises:		
Insurance claim received	-	0.03
Rental income (refer note 45.2)	8.82	8.40
Guarantee commission (refer note 45.2)*	9.37	5.18
Miscellaneous income	-	0.32
Corporate cross charge (refer note 45.2)	44.70	-
Total	**62.89**	**13.93**

* Fair value of corporate guarantee represents income on guarantee provided to a subsidiary company.

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33.a Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock (including in-transit)	117.17	96.20
Add: Purchases	1,146.10	1,107.88
Less: Closing stock (including in-transit)	104.46	117.17
Total	**1,158.81**	**1,086.91**
Materials consumed comprises:		
Solvents	185.90	230.78
Chemicals	972.91	856.13
Total	**1,158.81**	**1,086.91**

33.b Purchases of stock-in-trade

	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	85.45	82.43
Total	**85.45**	**82.43**
Purchases of stock-in-trade comprises:		
Bulk drugs	29.15	47.52
Chemicals	56.30	34.91
Total	**85.45**	**82.43**

33.c Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Work-in-progress and intermediates	154.01	110.01
Finished goods (including in transit)	40.92	46.00
	194.93	**156.01**
Closing stock		
Work-in-progress and intermediates	237.23	154.01
Finished goods (including in transit)	113.30	40.92
	350.53	**194.93**
Net increase	**(155.60)**	**(38.92)**

34 Employee benefit expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	171.68	134.99
Contributions to provident fund, gratuity and other funds (refer note 41)	17.03	14.20
Share-based payments to employees (refer note 46)	25.52	14.50
Staff welfare expenses	9.96	7.28
Total	**224.19**	**170.97**

35 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on borrowings	17.75	42.88
Other borrowing costs	8.32	6.44
Interest expense on leases liabilities (refer note 47)	0.73	1.03
Total	**26.80**	**50.35**

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36 Depreciation and amortisation expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment and ROU assets (refer note 3)	78.49	75.65
Amortisation on intangible assets (refer note 4)	12.79	14.26
Less: Cross charge to subsidiary company	-	(0.41)
Total	**91.28**	**89.50**

37 Other expenses

		Year ended 31 March 2021	Year ended 31 March 2020
Power, water and fuel		127.68	127.35
Consumables		32.13	27.48
Conversion and processing charges		487.47	405.04
Contract labour charges		16.36	28.58
Freight and forwarding		28.25	17.71
Rent		1.23	0.46
Rates and taxes		10.01	5.77
Communication expenses		3.99	3.85
Repairs and maintenance			
Building		6.99	5.77
Machinery		17.88	17.33
Others		32.80	21.39
Insurance		13.48	10.42
Travelling and conveyance		1.81	3.88
Advertisement and selling expenses		1.08	1.11
Commission on sales		10.91	2.32
Legal and professional fees		118.13	40.90
Payments to auditors (refer note (i) below)		4.15	3.71
Analytical charges		9.68	9.66
CSR expenses (refer note 50)		1.45	0.37
Bad trade receivables written off	1.26		17.45
Allowances for doubtful trade receivables	(1.26)	-	(17.45)
Provision for other than temporary diminution in value of Investments	112.08		-
Bad loans and advances written off	(112.08)	-	-
Property, plant and equipment written off		21.99	-
Miscellaneous expenses		41.35	16.47
Total		**988.82**	**749.57**
Note:			
(i) Payments to the auditors comprises (net of Goods and Services Tax):			
As auditors - statutory audit (including fees for limited reviews)		3.80	3.50
Fee for certification and other services		0.13	0.13
Reimbursement of expenses		0.22	0.08
Total		**4.15**	**3.71**

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38 Exceptional items*

	Year ended 31 March 2021	Year ended 31 March 2020
Accelerated ESOP costs	12.80	-
One time bonus	12.81	-
Total	**25.61**	**-**

* Refer note 46 (F)

39 Earnings per share

Profit attributable to equity shareholders

	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year attributable to equity holders of the Company	321.13	213.41
Profit attributable to equity shareholders for basic and diluted earnings	**321.13**	**213.41**

Weighted average number of equity shares

	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares at beginning of the year	248,370,995	246,870,995
Weighted average no. of shares issued during the year	-	434,426
Weighted average effect of treasury shares	(1,491,250)	(3,869,176)
Weighted average number of equity shares at the end of the year for basic EPS	**246,879,745**	**243,436,245**
Share options	990,742	1,873,380
Weighted average number of equity shares at the end of the year for diluted EPS	**247,870,487**	**245,309,625**

	Year ended 31 March 2021	Year ended 31 March 2020
Basic earnings per share (in ₹)	1.30	0.88
Diluted earnings per share (in ₹)	1.30	0.87

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 2021	Year ended 31 March 2020
i) Income tax expense recognised in the standalone statement of profit and loss		
Current tax	73.05	31.83
Total (I)	**73.05**	**31.83**
Deferred tax charge		
Origination and reversal of temporary differences	9.21	(17.49)
Total (II)	**9.21**	**(17.49)**
MAT		
MAT credit entitlement	17.68	(31.07)
MAT credit entitlement written off	-	31.45
Total (III)	**17.68**	**0.38**
Provision for tax of earlier years written back (IV)	(12.20)	-
Total (V = I+II+III+IV)	**87.74**	**14.72**
ii) Tax on other comprehensive income		
Re-measurement (gains)/losses on defined benefit plans	(0.13)	(0.83)
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	39.16	-
Total (VI)	**124.89**	**(0.83)**
Total (V+VI)	**212.63**	**13.89**

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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:

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	408.87	228.13
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	**119.06**	**66.43**
Differences due to:		
- Exempted income	-	(15.27)
- Effect of additional allowance net of MAT credit	5.38	(18.04)
- Provision for tax of earlier years written back	(12.20)	-
- Effect of deferred tax on brought forward business losses	(20.33)	(17.95)
- Others	(4.17)	(0.45)
Income tax expenses charged to the standalone statement of profit and loss	**87.74**	**14.72**
Effective tax rate	**21.46%**	**6.45%**

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 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	(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 of 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**

	As at 01 April 2019	Credit/(charge) in the statement of profit and loss	Credit/(charge) in other comprehensive income	As at 31 March 2020
- Temporary differences on account of depreciation	(24.54)	14.68	-	(9.86)
- Expenses allowable on payment basis	5.52	3.88	0.83	10.23
- Carried forward of losses	19.02	(1.07)	-	17.95
- MAT credit entitlement	67.03	(0.38)	-	66.65
Total	**67.03**	**17.11**	**0.83**	**84.97**

(D) The Company continues to pay income tax under older tax regime even after introduction of Taxation Law (Amendment) Act, 2019, considering the accumulated MAT credit, tax losses and other benefits 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 ₹11.73 (31 March 2020: ₹10.29) for Provident Fund contributions and ₹1.54 (31 March 2020: ₹1.74) for Employee State Insurance Scheme contributions in the standalone statement of profit and loss. As at 31 March 2021, contribution of ₹2.18 (31 March 2020: ₹2.68) 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 2021	31 March 2020
Expense/(income) recognised in the statement of profit and loss:		
Current service cost	3.76	2.17
Net interest cost	0.95	0.72
Expected return on plan assets	(0.13)	(0.13)
Component of defined benefit costs recognised in the statement of profit and loss	**4.58**	**2.76**
Expense/(income) recognised in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expenses)	-	0.09
Actuarial (gains)/losses arising from change in financial assumptions	0.13	1.00
Actuarial (gains)/losses arising from experience adjustment	0.19	1.88
Components of defined benefit costs recognised in other comprehensive income	**0.32**	**2.97**
Total	**4.90**	**5.73**

Net defined benefit obligation as reflected in balance sheet:

	31 March 2021	31 March 2020
Present value of defined benefit obligation (DBO)	19.54	14.90
Fair value of plan assets	(1.75)	(1.77)
Net liability recognised in balance sheet (Refer note 23)	**17.79**	**13.13**

A. Movements in the present value of the defined benefit obligation are as follows:

	31 March 2021	31 March 2020
Opening defined benefit obligation	14.90	9.80
Current service cost	3.76	2.17
Interest cost	0.95	0.72
Benefits paid	(0.39)	(0.67)
Actuarial (gains)/losses arising from changes in financial assumptions	0.13	1.00
Actuarial (gains)/losses arising from changes in experience adjustment	0.19	1.88
Closing defined benefit obligation	**19.54**	**14.90**

B. Movements in the fair value of plan assets are as follows:

	31 March 2021	31 March 2020
Opening fair value of plan assets	1.77	1.73
Fair value adjustments	(0.15)	-
Expected return on plan assets	0.13	0.13
Actuarial gain/(loss)	-	(0.09)
Closing fair value of plan assets	**1.75**	**1.77**
Estimate amount of contribution in immediate next year	**1.50**	**1.20**

Actual return on plan assets is ₹(0.03) (31 March 2020: ₹0.04).

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Asset information

	31 March 2021	31 March 2020
Insurer Managed Funds (LIC) (100%)	100%	100%

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 2021	31 March 2020
Financial assumption:		
Discount rate	6.59%	6.67%
Salary escalation rate	8.00%	8.00%
Demographic assumption:		
Withdrawal rate	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 yrs	58 yrs

As per para 83 of Ind AS 19 - Employee benefits, 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 2021	31 March 2020
Expected future cash flows		
Within 1 Year	1.70	1.20
2-5 years	8.16	4.66
6-10 years	8.12	7.31

Average expected future working life is 10.28 years (previous year 10.39 years).

Sensitivity Analysis

The sensitivity analysis 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 analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

	Impact on the defined benefit obligation	
31 March 2021	**100 bps increase**	**100 bps decrease**
Discounting rate	(1.51)	1.71
Salary escalation rate	1.66	(1.50)
31 March 2020	**100 bps increase**	**100 bps decrease**
Discounting rate	(1.12)	1.29
Salary escalation rate	1.27	(1.12)

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42 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
Claims against the Company not acknowledged as debts *	6.06	-

* Outflow, if any, arising out of the said claim including interest, 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. Recently, National Green Tribunal (NGT) passed an order levying an amount of ₹6.06 towards Environmental Damage & Restoration (EDR) cost through Tarapur Industiral Manufacturer's Association (TIMA) and Tarapur Environment Protection Society (TEPS). Involved parties have protested the said order and filed an appeal in the Supreme Court wherein Supreme Court has directed TIMA and TEPS to deposit 30% of the EDR amount in order to set a hearing date. The Company has paid an amount of ₹1.80 representing 30% of the said order.

Commitments

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	3.87	6.44

43 Due to micro enterprises and small enterprises (refer note 26)

	As at 31 March 2021	As at 31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year	63.05	41.70
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	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	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

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

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
Interchange Veterinária Indústria E Comércio Ltda.
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 S.A.S
Bremer Pharma GmbH
Evanvet Distribuidora De Produtos Veterinarios Ltda (Name changed from 'Evance Saude Animal Ltda w.e.f 03 February 2021)
Alivira UA limited (Strike off w.e.f 18 August 2019)
Alivira Italia S.R.L.
Alivira Animal Health USA LLC (Incorporated on 18 March 2020)
Alivira Animal Health UK Ltd (Incorporated on 29 April 2020)

(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
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. 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 Company
Agnus Capital LLP (till 17 August 2020)
Pronomz Ventures LLP (till 17 August 2020)
Solara Active Pharma Sciences Limited (till 17 August 2020)

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Note:

1 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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Sale of materials/services								
Alivira Animal Health Limited, India	1,213.63	1,232.98						
Solara Active Pharma Sciences Limited							-	0.13
Sale of machinery/assets								
Alivira Animal Health Limited, India	-	0.04						
Interest and other income								
Alivira Animal Health Limited, India (*)	105.46	56.97						
SeQuent Research Limited (*)	0.23	4.24						
Purchase of material								
Alivira Animal Health Limited, India	90.45	83.55						
Purchase of import license								
Alivira Animal Health Limited, India	2.43	7.69						
Purchase of machinery/assets								
Alivira Animal Health Limited, India	2.22	2.14						
SeQuent Research Limited	2.88	0.01						
Managerial remuneration (**) (excluding costs relating to post employment benefits)								
Mr. Manish Gupta (#)								
Short-term benefits					18.08	12.48		
Share-based payments					94.73	11.54		
Total					**112.81**	**24.02**		
Mr. Tushar Mistry								
Short-term benefits					11.40	7.44		
Share-based payments					19.15	1.56		
					30.55	**9.01**		
Directors Sitting Fees								
Mr. K E C Rajakumar					0.50	0.30		
Mr. Narendra Mairpady					0.36	0.48		
Dr. S Devendra Kumar					0.50	0.40		
Dr. Kausalya Santhanam					1.23	0.48		
Dr. Gopakumar Nair					0.73	0.48		
Dr. Kamal K Sharma					0.90	-		
Mr Milind Sarwate					1.00	-		
Gregory Andrews John					0.20	-		
Dr Fabian Kausche					0.10	-		
Corporate cross charge income								
Alivira Animal Health Limited, India	39.65	-						
SeQuent Research Limited	5.05	-						

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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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Corporate cross charge Expenses								
Alivira Animal Health Limited, India	73.30	-						
Reimbursement of expenses from								
SeQuent Research Limited	-	14.00						
Solara Active Pharma Sciences Limited							-	1.17
Agnus Capital LLP							2.76	7.39
Analytical charges								
SeQuent Research Limited	5.61	6.93						
Processing and conversion charges received								
Alivira Animal Health Limited, India	14.13	10.40						
Investment during the year								
Alivira Animal Health Limited, India (***)	5.09	(8.83)						
Rental income								
Alivira Animal Health Limited, India	8.82	8.40						

(*) Interest income is included in the loan receivable amount.

(**) Expenses towards gratuity and compensated absences provisions are determined actuary 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 AGM.

	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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Loans given to Company								
Alivira Animal Health Limited, India	1,534.50	-						
Loans repaid by the Company								
SeQuent Research Limited	9.60	73.00						
Sale of Equity Investments								
Pronomz Ventures LLP							1,573.44	-
Commission on corporate guarantee given for loan facility								
Alivira Animal Health Limited, India	9.37	5.18						
Commission on corporate guarantee received for loan facility								
Alivira Animal Health Limited, India	1.97	0.35						
Additional/(reduction) of guarantee given during the year (net)								
Alivira Animal Health Limited, India	278.53	(167.52)						

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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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Additional/(reduction) guarantee received during the year								
Alivira Animal Health Limited, India	(103.41)	483.41						
ESOP given to employees of Subsidiary company								
Alivira Animal Health Limited, India	36.68	32.17						
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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Trade receivables/other current assets								
SeQuent Research Limited	-	3.75						
Alivira Animal Health Limited, India	263.15	85.62						
Solara Active Pharma Sciences Limited							-	0.40
Agnus Capital LLP							-	7.39
Alivira Animal Health Limited, Ireland			10.14	-				
Loans receivable								
Elysian Life Sciences Private Limited	-	112.08						
Alivira Animal Health Limited, India	2,207.30	575.25						
SeQuent Research Limited	-	9.39						
Provision for Investments/loan given								
Elysian Life Sciences Private Limited (*)	112.18	112.18						
Trade payables								
SeQuent Research Limited	1.47	-						
Corporate Guarantee given to lender for loan facility								
Alivira Animal Health Limited, India	2,028.23	1,749.70						
Corporate Guarantee received for loan facility								
Alivira Animal Health Limited, India	380.00	483.41						

(*) The Company has subscribed to the right issue of 11,208,178 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 members 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

* 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 2020-21 is ₹38.32 (31 March 2020: ₹14.50) including exceptional item of ₹12.80 net of recoveries of ₹64.95 (31 March 2020: ₹32.17) 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 2021 is ₹77.66 (31 March 2020: ₹140.90)

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 21 September 2020 is ₹101.56 and that granted on 01 March 2021 is ranging from 161.35 to 181.46 (31 March 2020: ₹40.99). 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 2021	31 March 2021	31 March 2020
Grant date	March 1, 2021	21 September 2020	03 July 2019
Grant date share price	241.80	140.05	66.25
Exercise price	86.00	40.00	40.00
Expected volatility	47.7% - 53.5%	52.00%	38.00%
Option life	1.5 - 5 years	2 year	5 years
Dividend yield	0.2%	0.00	0.00
Risk-free interest rate	4.2% - 5.8%	3.51%	7.35%

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C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	As at 31 March 2021		As at 31 March 2020	
	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	4,138,500	31.97	4,552,620	36.48
Granted during the year	7,461,600	85.31	1,135,000	40.00
Exercised during the year	3,443,500	30.34	646,870	32.43
Cancelled during the yea	-	-	427,250	87.00
Forfeited during the year	220,700	40.00	475,000	44.33
Options outstanding at the end of the year	**7,935,900**	**82.60**	**4,138,500**	**31.97**

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
Option series			
1. Granted on 28 May 2014	250,000	03 April 2020	74.15
2. Granted on 12 November 2014	500,000	03 April 2020	74.15
3. Granted on 12 November 2014	500,000	21 April 2020	71.33
4. Granted on 02 November 2018	31,250	21 April 2020	71.33
5. Granted on 02 November 2018	56,500	10 July 2020	93.00
6. Granted on 03 July 2019	227,750	10 July 2020	93.00
7. Granted on 02 November 2018	1,464,500	21 September 2020	142.13
8. Granted on 03 July 2019	340,500	21 September 2020	142.13
9. Granted on 02 November 2018	18,750	02 November 2020	140.53
10. Granted on 03 July 2019	14,250	02 November 2020	140.53
11. Granted on 02 November 2018	25,000	01 January 2021	170.63
12. Granted on 03 July 2019	15,000	01 January 2021	170.63

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 ₹82.60 (as at 31 March 2020: ₹31.97) and weighted average remaining contractual life of 3.50 years (31 March 2020: 3.49 years).

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 year the Company has provided for this cost in the current year on an accelerated basis amounting to ₹12.80 and

(b) The Company during the year, has 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

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47 Lease Accounting

(i) Detailed list and movement of the assets (Refer note 3)

(ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the year:

	As at 31 March 2021	As at 31 March 2020
Balance as on 01 April	9.08	10.36
Additions	-	2.62
Accretion of interest (Refer note 35)	0.73	1.03
Payments	(5.40)	(4.93)
Closing Balance	**4.41**	**9.08**
Current	3.24	4.67
Non-current	1.17	4.41

The effective interest rate for lease liabilities is 10.50 % p.a, with maturity between 2019- 2023

(iii) **Impact on statement of profit and loss**

	As at 31 March 2021	As at 31 March 2020
Depreciation expense of right-of-use assets	8.10	7.72
Finance costs	0.73	1.03
Net decrease in profit for the year	**8.83**	**8.75**

(iv) **Maturity Analysis of Lease (Refer Note 48.4)**

(v) **Impact on the statement of cash flows increase/(decrease)**

	Year ended 31 March 2021	Year ended 31 March 2020
Payment of principal portion of lease liabilities	(4.67)	(3.90)
Payment of interest portion of lease liabilities	(0.73)	(1.03)
	(5.40)	**(4.93)**

48 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 2021	As at 31 March 2020
Financial assets		
Measured at amortised cost		
Investment in subsidiaries	6,081.93	6,076.84
Other investments	0.05	0.13
Trade receivables	614.35	407.88
Cash and cash equivalents	4.35	28.73
Other bank balances	3.05	8.45
Loans	2,207.58	584.92
Other financial assets	31.72	40.42
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	769.78	1,313.10
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	-	186.99
Derivative assets	0.10	-
Total	**9,712.91**	**8,647.46**

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	Carrying value and fair value	
	As at 31 March 2021	As at 31 March 2020
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	52.17	350.72
Trade payables	587.48	643.37
Other financial liabilities (Including lease liabilities)	14.85	31.74
Total	**654.50**	**1,025.83**

48.1 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2021 and 31 March 2020:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
Derivative financial assets designated at fair value through profit and loss (note 17):					
Foreign currency forward contracts	31 March 2021	0.10	-	0.10	-
Foreign currency forward contracts	31 March 2020	-	-	-	-
Financial assets designated at fair value through other comprehensive income (note 5 and 12):					
Investment in equity instruments (Quoted)	31 March 2021	769.78	769.78	-	-
Investment in equity instruments (Quoted)	31 March 2020	1,313.10	1,313.10	-	-
Financial assets designated at fair value through profit or loss (note 12):					
Investment in mutual funds	31 March 2021	-	-	-	-
Investment in mutual funds	31 March 2020	186.99	-	186.99	-

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. 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 Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

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48.2 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 derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these standalone financial statements.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The 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.

48.3 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.

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All amounts are in ₹ million unless otherwise stated

Given below is ageing of trade receivable spread by period of six months:

	31 March 2021	31 March 2020
Outstanding for more than 6 months	1.28	2.04
Others	613.07	405.84
Total	**614.35**	**407.88**

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.

Information about major customer

Revenue from single external customer is approximately ₹602.64 (31 March 2020: ₹600.23) representing 23% (31 March 2020: 27%) of Company's total revenue from business for the year ended 31 March 2021 and total exposure in receivables is 28% for the year ended 31 March 2021 (31 March 2020: 53%). 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 2021, an amount of ₹2,028.23 (31 March 2020: ₹1,749.70) 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.

48.4 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 2021 and 31 March 2020:

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term 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
Financial guarantee				2,028.23

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Particulars	As at 31 March 2020			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	199.07	55.18	96.47	350.72
Trade payables	643.37	-	-	643.37
Other financial liabilities	22.66	-	-	22.66
Lease liabilities	4.67	3.24	1.17	9.08
Financial guarantee				1,749.70

48.5 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 are operations are subject 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	31 March 2021		31 March 2020	
	Receivable/ (payable)	Receivable/ (payable) in foreign currency	Receivable/ (payable)	Receivable/ (payable) in foreign currency
USD	151.66	2.06	150.10	1.99
USD	(52.51)	(0.71)	(52.40)	(0.70)
JPY	(21.13)	(0.32)	-	-
GBP	(0.06)	(0.00)	(0.06)	(0.00)
Net Exposure	**77.96**		**97.64**	

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 0.10 (31 March 2020:Nil).

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 number 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 2021	31 March 2020
10% decrease in foreign currency		
USD (Currency of U.S.A)	(9.91)	(9.77)
Others	2.12	0.01
10% increase in foreign currency		
USD (Currency of U.S.A)	9.91	9.77
Others	(2.12)	(0.01)

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.

48.6 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 2021	31 March 2020
Fixed-rate instruments		
Financial assets		
- Margin money deposit	2.89	16.70
Total	**2.89**	**16.70**
Variable-rate instruments		
Financial liabilities		
- Borrowings from bank	52.17	350.72
Total	**52.17**	**350.72**

Interest rate sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	Profit and loss	
	100 bps increase	100 bps decrease
31 March 2021		
Variable-rate instruments	(0.52)	0.52
	(0.52)	**0.52**
31 March 2020		
Variable-rate instruments	(3.51)	3.51
	(3.51)	**3.51**

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All amounts are in ₹ million unless otherwise stated

49 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. 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 2021, 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 follows:

Particulars	31 March 2021	31 March 2020
(i) Borrowings (including current maturity of long-term borrowings) (refer note (i) below)	52.17	350.72
(ii) Cash and cash equivalents	4.35	28.73
(iii) Other bank balance (margin money) (refer note (ii) below)	2.89	8.30
(iv) Current investment	0.65	187.54
Net debt [(i) - { (ii)+(iii)+(iv) }]	**44.28**	**126.15**
Total equity	**10,295.11**	**8,862.17**
Gearing ratio (refer note (iii) below)	**0.43%**	**1.42%**

Notes:

(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/Equity.

50 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 2021	Year ended 31 March 2020
Gross amount required to be spent by the Company during the year	1.45	0.17
Actual amount spent during the year (Revenue in nature)	0.48	0.37
Remaining amount provided in the financial statements	0.97	-
Total CSR expenditure	**1.45**	**0.37**

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51 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 are 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 estimated 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.

52 Government of India vide press release dated 31 December 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 01 January 2021. With the introduction of the RoDTEP scheme, the benefit of Merchandise Exports from India Scheme (MEIS) stood withdrawn w.e.f 01 January 2021. Considering that the rates of RoDTEP are yet to be notified, the Company has not accrued income relating to benefits of RoDTEP scheme for the period 01 January 2021 to 31 March 2021.

53 Exports incentives are recognised based on certainty of receipt. During the previous year ended 31 March 2020, an amount of ₹10.06 of export incentive income pertaining to past invoices has been recognised as attached condition of certainty is met.

54 During the closing for the year ended 31 March 2021 ("Current Financial Year"), the Management detected certain instances, wherein revenue in respect of certain sales transactions of the Company, was recognised on dates earlier to those allowed by the Company's revenue recognition policy. The Management performed a detailed review including examination by an external independent agency and traced all cases of such non-adherence during the Current Financial Year. This revealed that (i) in respect of sales transactions aggregating ₹87.36, revenue was recognised on dates earlier to those allowed by the Company's revenue recognition policy, although all such recognition of revenue was within the Current Financial Year and (ii) in respect of sales transactions aggregating ₹11.76 the recognition of revenue (initially sought to be recognised in the Current Financial Year) was deferred in line with the Company's revenue recognition policy to the next financial year.

The Company has corrected the processes leading to such non-adherence related to revenue recognition and will continue to strengthen internal control system further and therefore does not expect any continuing impact.

55 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

56 The standalone financial statements were approved for issue by the Board of Directors on 30 June 2021.

As per our report of even date

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

Per **Vikas Kumar Pansari**
Partner
Membership No: 093649

Mumbai, 30 June 2021

For and on Behalf of the Board of Directors

Manish Gupta
Managing Director & Chief Executive Officer
DIN:06805265

Sharat Narasapur
Joint Managing Director
DIN:02808651

Tushar Mistry
Chief Financial Officer

Krunal Shah
Company Secretary
Membership No: 26087

SeQuent Scientific Limited
CIN: L99999MH1985PLC036685
Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,
Wagle Industrial Estate, Thane (West) - 400 604, Maharashtra, India.
Tel No.: +91 22 4111 4777 | **Fax No.:** +91 22 4111 4754
Website: www.sequent.in | Email: investorrelations@sequent.in

Notice

NOTICE is hereby given that the Thirty Sixth Annual General Meeting ('AGM') of the Members of SeQuent Scientific Limited (the **'Company'**) will be held on Tuesday, September 21, 2021 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, 2021

To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, 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, 2021, and the Report of the Auditors thereon.

Item No. 2: Declaration of Dividend for the Financial Year ended March 31, 2021

To declare a Dividend of ₹0.50/- per equity share of face value of ₹2/- each for the Financial Year ended March 31, 2021.

Item No. 3: Appointment of Director

To appoint a Director in place of Mr. Manish Gupta (DIN: 06805265), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4: Appointment of Director

To appoint a Director in place of Mr. Sharat Narasapur (DIN: 02808651), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 5: Ratification of remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors of the Company for the Financial Year ending March 31, 2022

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 ₹8,00,000/- (Rupees Eight Lakhs Only) plus applicable tax and reimbursement of out of pocket expenses, payable to M/s. Kirit Mehta & Co., Cost Accountants, Mumbai (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, 2022 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."

By order of the Board of Directors of
Sequent Scientific Limited

Krunal Shah
Company Secretary & Compliance Officer
Membership No.: ACS 26087

Place: Thane
Date: June 30, 2021

NOTES:

1. Considering the ongoing COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 02/2021 dated January 13, 2021, read together with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020, (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 36th 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. In line with the MCA Circulars, the notice of the 36th AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website at http://www.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

3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investorrelations@sequent.in.

4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM 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 MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 36th 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 of the Meeting is not annexed hereto.

6. The following documents will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an e-mail to investorrelations@sequent.in.

   a) Certificate from the Statutory Auditors relating to the Company's Stock Options/Restricted Stock Units Plans under SEBI (Share Based Employee Benefits) Regulations, 2014.

   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.

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, 2021 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. A brief resume of each of the Directors proposed to be appointed/re-appointed at this AGM, nature of expertise in specific functional areas, names of companies in which they hold directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors interse as stipulated under Regulation 36 of the Listing Regulations and other requisite information as per Clause 12.5 of Secretarial Standards on General meetings (SS-2), are provided in **'Annexure A'.**

9. **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. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent of the Company.

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.

Pursuant to the provisions of Section 72 of the Act, Members holding shares in physical form and desirous of making a nomination in respect of their Shareholding in the Company are requested to submit Form SH -13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant for recording of nomination.

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 to not 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.

10. **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, Secretarial Standard on General Meetings (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 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 enclosed as **'Annexure-B'**.

11. **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.

12. **Dividend for FY 2020-21**
The Board of Directors have recommended a dividend of ₹0.50/- per equity share of face value of ₹2/- each for the financial year ended March 31, 2021, subject to approval of the Members at the AGM.

Record Date for entitlement of dividend is Friday, September 10, 2021. The said dividend will be paid within a period of 30 days from the date of declaration, electronically through various online transfer modes to those Members who have updated their bank account details.

For Members who have not updated their bank account details, demand drafts/ cheques will be sent out to their registered addresses subject to availability of postal facility.

13. **Process for updating bank account details is as under:**

(i) Members holding shares in physical form
Send a request to RTA of the Company, KFin Technologies Private Limited at einward.ris@kfintech.com providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for updating bank account details.

Following additional details need to be provided in case of updating bank account details:

- Name and branch of the bank in which you wish to receive the dividend;
- the bank account type;
- Bank account number allotted by their banks after implementation of core banking solutions;
- 9 digit MICR Code Number;
- 11 digit IFSC;
- Original cancelled cheque bearing the name of the first Member.

ii) Members holding shares in demat form
Please update your Electronic Bank Mandate through your Depository Participant/s.

14. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and amendments thereof.

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a declaration in Form No. 15G/15H/Declaration for Insurance Cos, Mutual Funds, AIFs and ReIT/InVIT (which can be downloaded from Registrar's website – https://ris.kfintech.com/form15), to avail the benefit of non-deduction of tax at source, by uploading the Form on the Registrar's website - https://ris.kfintech.com/form15 or by e-mailing the same to einward.ris@kfintech.com latest by 11:59 p.m. IST on September 10 2021. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.

Pursuant to the introduction of Section 206AB of the Income Tax Act, 1961, with effect from 1st July 2021, resident individual shareholders who are receiving dividend in excess of ₹5,000/- and have not submitted Form 15G/15H, are required to furnish certain information with regard to their Income Tax Return filing for the past two years, on the Registrar's mail id: einward.ris@kfintech.com, to be eligible for deduction of tax at source at the normal rate.

Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by uploading the Form on the Registrar's website - https://ris.kfintech.com/form15 or by e-mailing the same to einward.ris@kfintech.com. The aforesaid declarations and documents should be submitted by the shareholders latest by 11:59 P.M. IST on September 10, 2021.

15. **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".

16. **Email Registration**

Members who have not registered their email IDs with the Depository Participants, are requested to register their email IDs with their Depository Participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid e-mail IDs to RTA at einward.ris@kfintech.com or Company at investorrelations@sequent.in for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company.

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. 5 of the accompanying notice:

Item No. 5:

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 for the financial year 2021-22 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, Mumbai (Firm Registration No. 000353) as the Cost Auditors of the Company for the financial year ending March 31, 2022, on remuneration of upto ₹8,00,000 (Rupees Eight Lakhs Only) plus tax and reimbursement of out of pocket expenses.

M/s. Kirit Mehta & Co., Cost Accountants has also conveyed its willingness to act as Cost Auditors of the Company for the year ending March 31, 2022. The eligibility and consent letter will be available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at investorrelations@sequent.in, by mentioning "Request for Inspection" in the subject of the Email.

In terms of Section 148 of the Companies Act, 2013 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 ending March 31, 2022, by passing an Ordinary Resolution as set out in Item No. 5 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 set out in Item No. 5 for ratification by the Members.

By order of the Board of Directors of
Sequent Scientific Limited

Krunal Shah
Company Secretary & Compliance Officer
Membership No.: ACS 26087

Place: Thane
Date: June 30, 2021

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. Manish Gupta Managing Director of the Company:

Name of the Director	Mr. Manish Gupta
DIN	06805265
Age	54
Date of first appointment on the Board	November 12, 2014
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	Mr. Manish Gupta has been leading the SeQuent Group for more than 7 and a half years and has over 25 years of experience in leading and managing businesses in India, Europe and US, most of which has been in pharmaceutical sector. Prior to that, he worked in A F Ferguson, Khandwala Securities, Engineers India and played various leadership roles in Wochardt & Strides. Before joining SeQuent, Mr. Manish Gupta was working with Strides Acrolab as its CEO. He is a graduate in Mechanical Engineering from MSU, Baroda and has done his MMS Finance from SPJIMR, Mumbai. Under his leadership, the Company has emerged as India's largest and the 20th largest Animal Health Company globally within 7 years of its existence with its unique, differentiated business model.
Terms and conditions of appointment or Reappointment	Liable to retire by rotation. The details of remuneration paid to Mr. Manish Gupta are provided in the Corporate Governance Report.
Details of remuneration sought to be paid and remuneration last drawn	The details of remuneration paid to Mr. Manish Gupta are provided in the Corporate Governance Report.
Shareholding in SeQuent Scientific Limited as at the date of notice	20,10,500 Equity Shares representing 0.81% of the paid-up equity share capital of the Company.
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2020-21	Board Meetings: 9 out of 9 Committee Meetings: 1 out of 1
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	Member of Stakeholder Relationship Committee
Details of Directorship	1. Alivira Animal Health Limited 2. SeQuent Research Limited

Details of Mr. Sharat Narasapur, Joint Managing Director of the Company:

Name of the Director	Mr. Sharat Narasapur
DIN	02808651
Age	55
Date of first appointment on the Board	January 08, 2017
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	Mr. Sharat Narasapur has been working with the Company for more than 6 years and is heading the Technical Operations for API Business In a career spanning over 3 decades in Chemical, Agrochemical and Pharmaceutical industry in various roles starting from design and development to managing business operations He has worked at leadership levels with leading pharmaceutical companies like Aurobindo Pharma, Dr Reddy's Laboratories Ltd and ecoLogic Technologies Pvt Ltd. He is a Chemical Engineer from ICT Mumbai and has also undergone long term Business leader's program from IIM Calcutta. Mr. Sharat Narasapur, is leading the entire technical, R&D, Supply chain and Quality Operations for the Company with complete operational accountability for API Manufacturing. Under his leadership the organization obtained the USFDA certification for the flagship API site in Vizag (becoming India's first USFDA registered Vet API facility)
Terms and conditions of appointment or Reappointment	Liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Mr. Sharat Narasapur does not receive any remuneration from the Company. Mr. Sharat Narasapur draws remuneration from its wholly owned subsidiary Alivira Animal Health Limited and the details are provided in the corporate governance report.
Shareholding in SeQuent Scientific Limited as at the date of notice	2,62,050 Equity Shares representing 0.11% of the paid-up equity share capital of the Company.
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2020-21	Board Meetings: 9 out of 9 Committee Meetings: 1 out of 1
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	Member of Corporate Social Responsibility Committee
Details of Directorship	1. Alivira Animal Health Limited 2. SeQuent Research Limited 3. Elysian Life Science 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 SEBI 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 16, 2021 at 09:00 a.m. (IST) and ends on Monday, September 20, 2021 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 14, 2021.

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.ris@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 KFin system to participate e-AGM and vote at the AGM.

8.1) Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 **3. Users may alternatively vote directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. Users may alternatively, vote directly accessing the e-Voting website of CDSL I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	(i) You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. (ii) Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. (iii) Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your 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 Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
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**

8.2) Details on Step 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (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. Launch internet browser by typing the URL: https://evoting.kfintech.com

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) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your 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 you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you 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, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the 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 accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your 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 you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Company at investorrelations@sequent.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the 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 of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

8.3) Details on Step 3 are mentioned below:

II) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM 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. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 30 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

viii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

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, 2021 at 09:00 a.m. (IST) upto September 15, 2021 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. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. B.V. Kishore (Unit: SeQuent Scientific Limited) of KFin Technologies Private Limited, Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040-6716 2222 or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. Only bonafide Members of the Company whose names appear in the Register of Members as on Tuesday, September 14, 2021 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.

V. Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 14, 2021, 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.

VI. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. 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

ii. 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.

iii. 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.

VII. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

Notes

Notes

Notes

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

Registered Office

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/Concept, content and design at AICL (hello@aicl.in)