



August 08, 2023

BSE Limited

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

Scrip code: 512529

Dear Sir/ Madam,

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Symbol: SEQUENT

Subject: Notice of 38th Annual General Meeting and Annual Report for the FY 2022-23

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Notice convening the 38th Annual General Meeting ('AGM') along with the Annual Report of the Company for FY 2022-23, being sent to the Members through electronic mode.

The AGM of the Company will be held on **Wednesday, August 30, 2022 at 04:30 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://www.sequent.in/pdf/annual-report/2022-23/Sequent%20Annual%20Report%2022-23.pdf>

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For **Sequent Scientific Limited**

Krunal Shah

Company Secretary & Compliance Officer



CONTENTS

Corporate Overview

- 01 Corporate Identity
- 02 Our Presence
- 04 Chairman's Message
- 06 Managing Director's Insight
- 10 Chief Financial Officer's Note
- 12 Key Performance Indicators
- 14 Business Segment Review
- 18 Corporate Social Responsibility
- 20 Board of Directors
- 21 Leadership Team

Statutory Reports

- 22 Management Discussion and Analysis
- 32 Board's Report
- 62 Corporate Governance Report
- 83 Business Responsibility and Sustainability Report

Financial Statements

- 120 Consolidated
- 200 Standalone

270 Notice of Annual General Meeting

Pursuing ambitions with deep domain expertise

SeQuent Scientific Limited (SeQuent) has emerged as India's leading animal health company with a growing global presence. With our unique business model, we have provided high quality products to the Animal Health industry.

Our comprehensive offering, including Active Pharmaceutical Ingredients (API), finished drug formulations and analytical services, caters to the needs of the animal health sector globally. With manufacturing facilities in Europe, Turkey, Brazil and India, we are among the top 25 animal health companies worldwide. Sequent Research is a contract research organisation with expertise in analytical and bioanalytical services, serving pharmaceutical, personal care, nutraceutical and API firms.

Supported by The Carlyle Group as our promoter, we are well-equipped to pursue new avenues of growth and progress, while our diversified Board provides valuable guidance on growth strategies and initiatives. In recent times, we have successfully implemented a range of initiatives designed to enhance scalability, build, streamline costs and improve process efficiency. We are expanding our portfolio of both formulations and APIs, venturing into new markets, exploring new segments, and working closely with our esteemed customers.

Despite the uncertain operating environment across the globe, we remain confident of our ability to achieve the bold objectives outlined in the Sequent 2.0 roadmap and accelerate competitive growth.

Our diversified market reach, longstanding partnerships, consistent focus on innovation, and deep domain expertise in animal health will play a crucial role in establishing us as a global leader in the animal health industry in the years to come.

Leading
Animal health
company from India

~2/3rd
Revenues from
regulated markets

1,800+
Global
workforce

30+
Commercial
APIs

1,000+
Finished dosages across
12 dosage forms

₹631 Mn+
Investment in R&D in
the last five years

FINANCIAL HIGHLIGHTS, FY23

₹14,209 Mn

Revenue from operations



₹756 Mn

EBITDA
(pre-ESOP)



₹10,009 Mn

Revenue from formulations



₹3,808 Mn

Revenue from APIs



5.3%

EBITDA margin
(pre-ESOP)



₹315 Mn

Free cashflow
from operations

2

New formulation
products launched



4

New API
products launched

OPERATIONAL HIGHLIGHTS, FY23

Our Presence

Addressing crucial needs of global customers

Our manufacturing capabilities are widely diversified worldwide, with facilities located in Europe, India and emerging markets such as Latin America and Turkey. Currently, we operate three active pharmaceutical ingredient (API) facilities, five formulation manufacturing facilities, and five research and development (R&D) centres worldwide. We remain committed to expanding our capabilities in both manufacturing and innovation through strategic investments across both.

100+

Countries where we are present

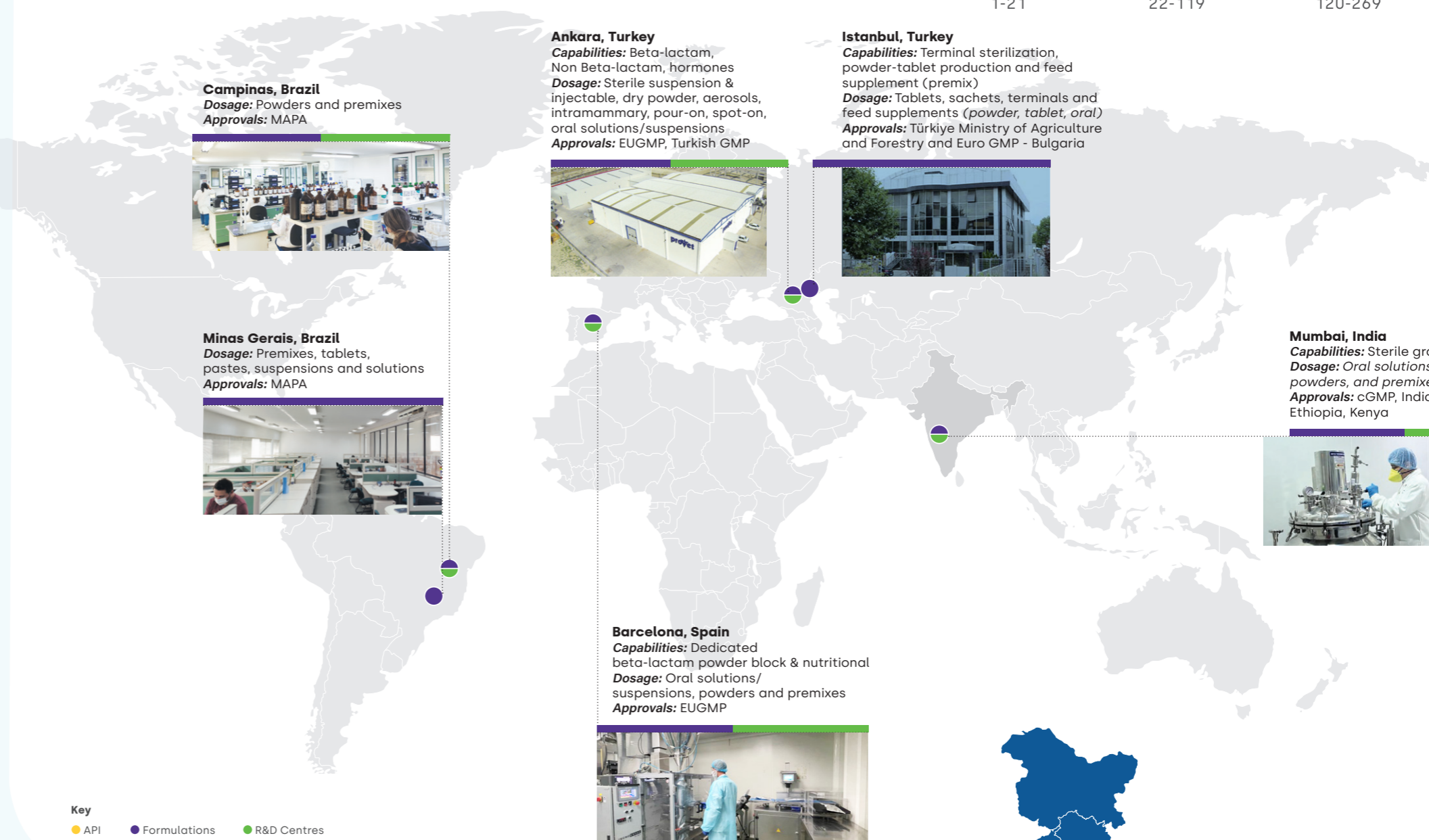
9*

State-of-the-art manufacturing facilities

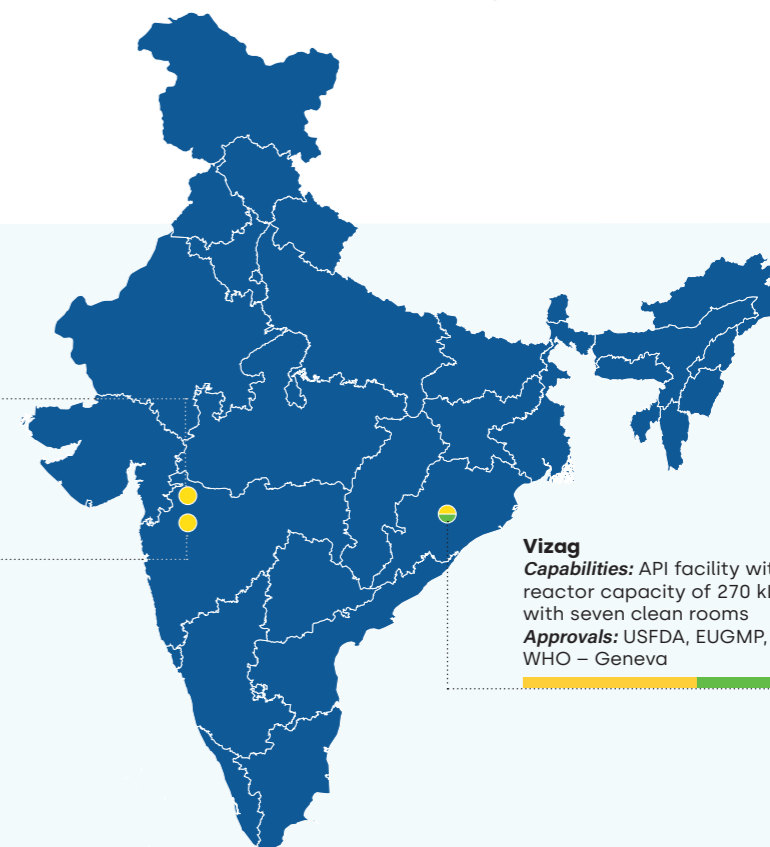
5

Global R&D centres

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



Key
 ● API ● Formulations ● R&D Centres



Chairman's Message

Progressing with optimism



I am pleased to share that we have undertaken several measures to effectively navigate the volatility in many markets and seize new growth opportunities. In an inflationary scenario, we have introduced multiple initiatives to prioritise growth segments, optimise resource allocation, focus on cost-improvement measures, and deepen our engagement with customers.

Dear Shareholders,

I am happy to reconnect with all of you and share the progress we have achieved during the year under review.

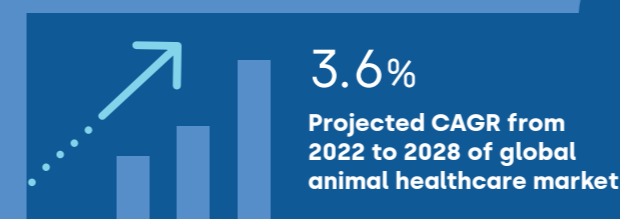
The global economy is steadily recovering from the challenges posed by the pandemic and geopolitical disruptions. We are witnessing a gradual resolution to supply chain interruptions, while energy and food markets are normalising after being impacted by geopolitical events. Furthermore, central banks continue to tighten monetary policy as part of their efforts to bring inflation back to target levels.

While our industry too has faced the impact of these global developments, the underlying fundamentals remain intact. The global animal healthcare market reached USD 36.6 billion in 2022, with a projected compound annual growth rate (CAGR) of 3.6% from 2022 to 2028. This growth trajectory can be attributed to factors such as an escalation in zoonotic and food-borne diseases, rising pet ownership, advancements in animal healthcare technology, and an increasing focus on animal welfare.

During the past fiscal year, your Company also had to face headwinds due to the adverse macro events I highlighted earlier. While revenues grew marginally, the EBITDA was adversely impacted. However, I am pleased to share that we have undertaken several measures to effectively navigate the volatility in many markets and seize new growth opportunities. In an inflationary scenario, we have introduced multiple initiatives to prioritise growth segments, optimise resource allocation, focus on cost-improvement measures, and deepen our engagement with customers. To this extent, we made a few strategic decisions to streamline our global operations, which included discontinuing manufacturing operations at our plant in Germany and planning to source from alternative low-cost sites.

With a robust presence in over 100 countries, we have successfully established ourselves as a leading player in animal health internationally. Over the years, our unique model of covering a large spectrum of products for animal health has enabled us to remain relevant and connected to customers.

We have strengthened our position as a trusted and leading manufacturer of high-quality Active Pharmaceutical Ingredients (API) and Formulations, serving customers in the United States, Europe, India, Latin America, and other emerging markets.



We continue to serve both the production animal and companion animal segments. Our strong research and development facilities, coupled with world-class manufacturing infrastructure, have consistently enabled us to provide high-quality animal health products. We take pride in our significant contributions to the animal health industry and remain dedicated to innovating and improving the lives of animals worldwide. Concurrently, we continue to invest in the necessary capabilities and talent to realise our ambitious plans. These initiatives will establish a sustainable, long-term advantage for our Company as we pursue profitable growth.

We are deeply committed to environmental sustainability and strive for sustainable growth in all our operations. In our efforts to reduce carbon emissions, we have embarked

on a transition from fossil fuels to solar energy to meet our increasing energy demands. We continue to optimise our processes to minimise disposable waste.

Our progress as an organisation has been shaped by the invaluable contributions of our employees across many countries, who are able to harness our global capabilities to leverage local opportunities and execute on the ground with high impact

Our Board with a complementary mix of skills and experience, has provided invaluable guidance, while ensuring robust and effective governance controls. Our leadership provides strategic guidance and is committed to strengthening the governance mechanism to enhance our value-creation potential.

On behalf of the Board, I would like to express our heartfelt gratitude to our valued customers, shareholders, bankers, suppliers, government agencies, and above all, our employees for their invaluable contribution to SeQuent's progress.

We sincerely cherish your continued support for now and in the future.

Warm regards,

DR. KAMAL K SHARMA
Chairman

Managing Director's Insight

Upping our resolve to deliver value



In Latin America, we have emerged as one of the top 5 players in the poultry and swine segment. To expand our reach, we have established new distributorships in 6 countries - Colombia, Chile, Ecuador, Panama, Paraguay, and Bolivia.

Dear Shareholders,

It is a privilege for me to share with you the progress and events of the year. We find ourselves at a crucial juncture in our Company's journey, and the past year has been significant in our response to the volatility seen in the business environment globally. We have taken significant steps towards establishing ourselves as a prominent global player in animal health.

Today, we are recognised as the largest animal health company in India and one of the top 25 globally. With a robust presence in over 100 countries, we have successfully established ourselves as a key player in regulated markets, which is an acknowledgement of our capabilities and strengths. Our expertise in understanding the demanding requirements of regulated markets, coupled with our front-end presence in key animal health markets worldwide, has established us as a preferred partner for our customers. Moreover, we are the only company in India to establish a greenfield veterinary API facility to be approved by the U.S. Food and Drug Administration (FDA), reinforcing our commitment to maintaining the highest standards of quality and regulatory compliance.

Business update

During the year under review, we have faced challenges in some markets where customers have reduced their inventory in response to challenging economic conditions. We have aggressively pursued structural adjustments to ensure our strong presence and competitiveness in the most attractive markets and customer segments. These have impacted the results in the year gone by. In FY23, our operational

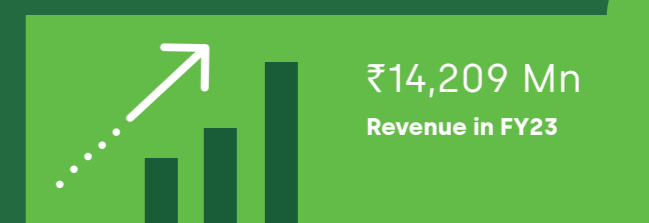


Our business in India has maintained stable growth. We have planned a strategic redeployment of the field force, targeting densely populated districts with crossbred cattle, buffaloes and sheep across India. Additionally, our ongoing R&D efforts aim to introduce innovative products that cater to the specific needs of the Indian market.

revenue reached ₹14,209 million, a marginal increase from the ₹14,128 million reported in FY22. However, our EBITDA (pre-ESOP) declined to ₹756 million in FY23, compared to ₹1,423 million in FY22. In FY23, we reported a net loss of ₹1,220 million, primarily because of exceptional items resulting from the closure of a plant in Germany and the impact of recent events in Turkey.

Formulations

Our formulation segment achieved marginal revenue growth of ₹10,009 million in FY23 from ₹9,686 million in the previous fiscal year. To enhance our operational efficiency, we have optimised some parts of the business to improve our competitiveness in the market.



In Europe, we saw marginal growth as a result of portfolio restructuring, with a focus on more profitable and differentiated segments. Notably, our Phytosolutions line has demonstrated an encouraging start, as the portfolio is rolled out across markets.

In Turkey, we successfully consolidated our product portfolios with a unified front-end team. This consolidation had been accompanied by a comprehensive rebranding and product redesign process.

In Latin America, we have emerged as one of the top 5 players in the poultry and swine segment. To expand our reach, we have established new distributorships in 6 countries - Colombia, Chile, Ecuador, Panama, Paraguay, and Bolivia.

Our business in India has maintained stable growth. We have planned a strategic redeployment of the field force, targeting densely populated districts with crossbred cattle, buffaloes and sheep across India. Additionally, our ongoing R&D efforts aim to introduce innovative products that cater to the specific needs of the Indian market.

In the emerging markets, we have returned to pre-pandemic levels of growth, with notable contributions from South Africa, the Middle East and Southeast Asia regions. Emerging markets demonstrated a robust growth of 7.8%,

API

In a subdued global market, our API revenues in FY23 stood at ₹3,808 million, compared to ₹4,314 million in FY22. Our top 10 customers remained pivotal, contributing approximately 58% of our total sales. It is worth noting that 72%

Managing Director's Insight (Contd.)



In FY23, we made significant progress in our API business as we expedited our regulatory filings, successfully registering five Veterinary Master Files (VMFs) and three Certificates of Suitability (CEPs). These achievements have positioned us to better serve our customers and enhance our market presence.

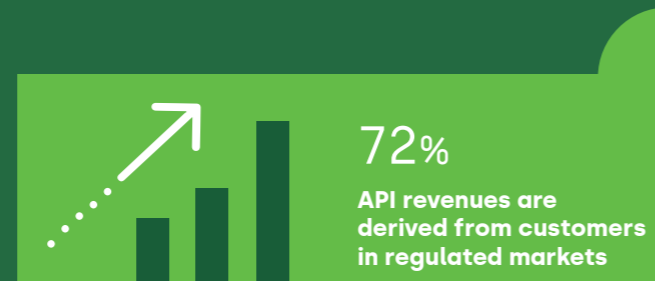
of our API revenues are derived from customers in regulated markets, and we anticipate a gradual improvement in the upcoming quarters. In FY23, we made significant progress in our API business as we expedited our regulatory filings, successfully registering five Veterinary Master Files (VMFs) and three Certificates of Suitability (CEPs). These achievements have positioned us to better serve our customers and enhance our market presence. We have made strategic investments in expanding our capacity to accommodate new business opportunities. Furthermore, we have bolstered our Research and Development team to meet the specific requirements of our partnerships with prominent Animal Health companies.

Environment and Society

During the year under review, we have taken several steps to meet our commitment to our ESG goals and uphold our responsibilities to all stakeholders.

Water conservation is of utmost importance, and we approach it with great care. Through the implementation of Zero Liquid Discharge (ZLD) technology, we recycle 100% of our wastewater, ensuring no liquid effluents are discharged and minimising our water footprint. Additionally, we continuously improve our production techniques to decrease our dependence on freshwater. Our Mahad site was awarded the EcoVadis Sustainability Silver Medal, reinforcing dedication to environmental responsibility and sustainable practices.

At our sites, we promote prudent use of natural resources and consistently upgrade our processes to reduce solvent usage. We are committed to minimising raw material consumption, reducing effluent generation, and diversifying our energy sources by integrating renewable energy, such as solar power.



Our global workforce

We strive to cultivate an environment that fosters continuous growth while prioritising the health and well-being of our workforce. Safety is of paramount importance, which needs to always remain embedded in our culture. We continue to lay a strong emphasis on conducting regular training programmes, safety audits and behavioral interventions, which are supported by a fully equipped occupational health infrastructure.

We believe in nurturing a performance-driven culture, where continuous capability building and robust performance measurement play a central role. Our aim is to foster leadership at all levels of the organisation by promoting trust, inclusivity, empowerment, and openness. By embracing these principles, we strive for improved outcomes and better results. We are

immensely proud of every member of our team for their unwavering commitment to ensuring business continuity and growth, even in the face of challenges.

Giving back to the society

Our CSR efforts are directed towards improving the livelihoods and well-being of the community around us. As part of our commitment, we contribute to initiatives that promote the holistic development of underprivileged youth. One such endeavour is our support for the Skill Development Programme in Mangalore and Ambernath.

Governance

Our Board of Directors ensures transparency, disclosure, and compliance with laws to promote ethical business conduct. Under their guidance, the senior management sets the standards for the organisation, through policies, education and role modelling high standards of behaviour. The Board has established a

formal mechanism to evaluate its performance, Committees, and individual Directors, including the Chairman. This evaluation covers aspects such as Board composition, committee formulation, expertise, performance, and independent judgement.

Way forward

We are excited about the future of our business and the opportunities that lie ahead of us. The steps taken this year will position us well to deliver profitable and sustainable growth. I would like to express my gratitude to the Board for their guidance and to all our stakeholders for their whole-hearted encouragement and belief in the distinctive business we are creating. I would also like to extend my appreciation to our valued customers dedicated employees, and all partners for their ongoing trust and support.

Warm regards,

RAJARAM NARAYANAN
Managing Director



Through the implementation of Zero Liquid Discharge (ZLD) technology, we recycle 100% of our wastewater, ensuring no liquid effluents are discharged and minimising our water footprint. Additionally, we continuously improve our production techniques to decrease our dependence on freshwater.

Chief Financial Officer's Note

Remaining resolute to emerging stronger



Our emerging markets segment experienced a commendable year-on-year growth of 7.8%. This growth is particularly noteworthy considering the obstacles we encountered in Turkey, such as macro-economic issues and hyperinflationary pressures on the Turkish Lira.

Dear Shareholders,

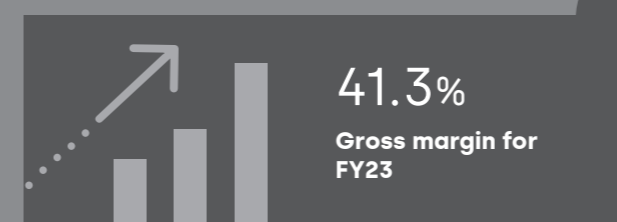
It is my absolute privilege to be connecting with you and sharing with you the progress of our Company. Despite the numerous challenges we faced throughout the year, I am proud to say that our Company's inherent strength and the strategic actions taken by our management team have enabled us to navigate this difficult period successfully.

During the year under review, we achieved a revenue of ₹14,209 million, representing a slight increase from the previous year's revenue of ₹14,128 million. Notably, our emerging markets segment experienced a commendable year-on-year growth of 7.8%. This growth is particularly noteworthy considering the obstacles we encountered in Turkey, such as macro-economic issues and hyperinflationary pressures on the Turkish Lira. Additionally, our European business faced various pressures, including antibiotic regulations and significant inflationary challenges and still managed to generate a revenue of ₹4,147 million in FY23. Our API business concluded the year with a revenue of ₹3,808 million.

Our gross margin for the year under review stood at 41.3%. To enhance our gross margins, we have implemented several initiatives, such as Project Pragati for our API division. We are also actively pursuing strategic and operational efficiency improvements across Spain, Turkey, and other geographies. As part of these efforts, we made the decision to discontinue manufacturing operations in Germany, a measure we believe will contribute to our overall



Our gross margin for the year under review stood at 41.3%. To enhance our gross margins, we have implemented several initiatives, such as Project Pragati for our API division. We are also actively pursuing strategic and operational efficiency improvements across Spain, Turkey, and other geographies.



profitability improvement.

Our operating expenses for FY23, excluding depreciation, amounted to ₹5,584 million (which includes ESOP costs) compared to ₹5,104 million in the previous year. Despite facing inflationary pressures in various regions, we have effectively managed our operating expenses through various measures. Moving forward, we will

continue to implement countermeasures to mitigate inflationary pressures and maintain our operating expenses at optimal levels.

During the year under review, we encountered exceptional hits in our profit and loss statement due to discontinued manufacturing operations in Germany and the complex economic situation in Turkey. The hyperinflationary conditions prevailing in Turkey triggered the application of Ind AS 29 – Financial Reporting in hyperinflationary economies, leading to adjustments in our financial statements.

Our finance costs for the year amounted to ₹3,551 million. These higher finance costs were primarily driven by increased debt during the year and a rise in borrowing costs.

Our working capital remained stable at ₹4,261 million, comparable to the previous year's closing level. Our net debt increased to ₹3,561 million. The increase in net debt is consequent to fresh term borrowings of ₹800 million (mainly for the global capital expenditure and Brazil follow-on acquisition) and an increase in working capital lines by ₹300 million.

With the implementation of various initiatives aimed at improving our revenue and operational efficiencies, I firmly believe that our Company is well-positioned to achieve growth and profitability in the coming year and beyond.

Warm regards,

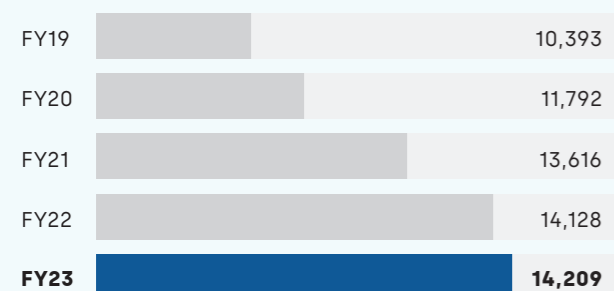
P.V. RAGHAVENDRA RAO
Chief Financial Officer

Key Performance Indicators

Our performance over the years *(Consolidated)*

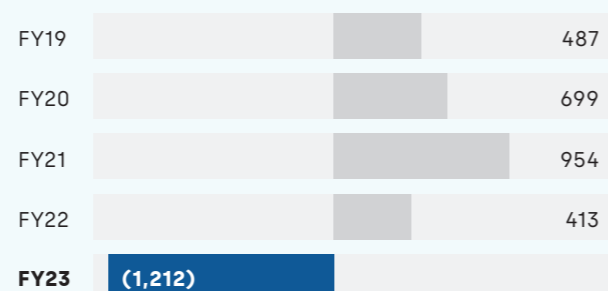
Revenue from Operations

(₹ in Mn)



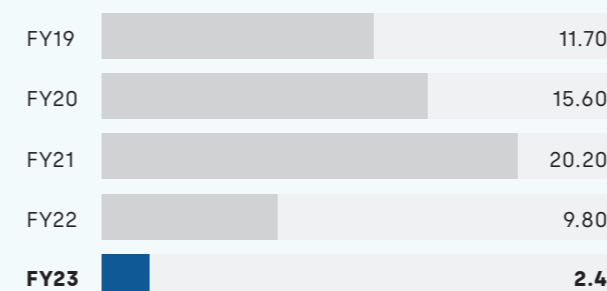
Profit/Loss After Tax

(₹ in Mn)



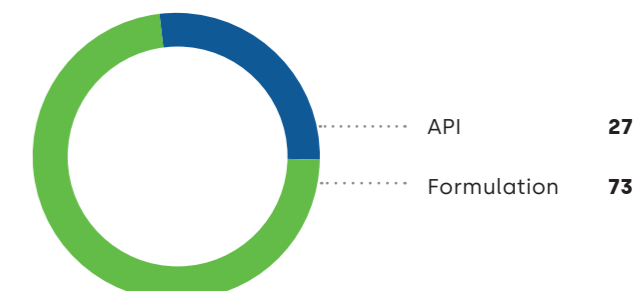
Return on Capital Employed

(%)



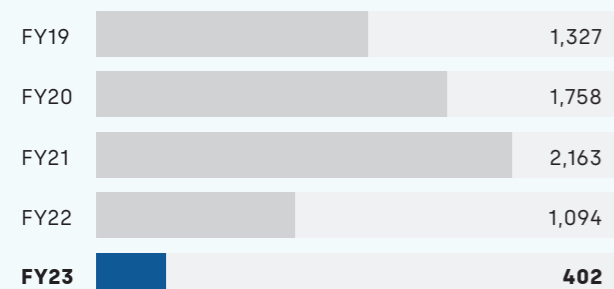
Revenue by Business Segment

(%)



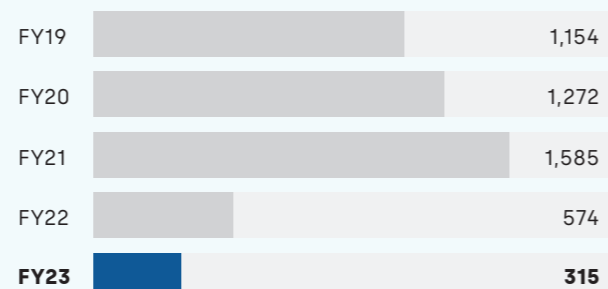
EBITDA

(₹ in Mn)



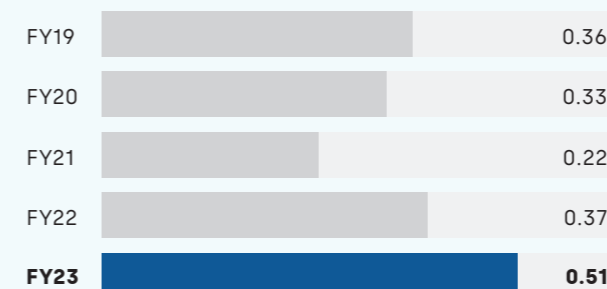
Cashflow from Operations

(₹ in Mn)



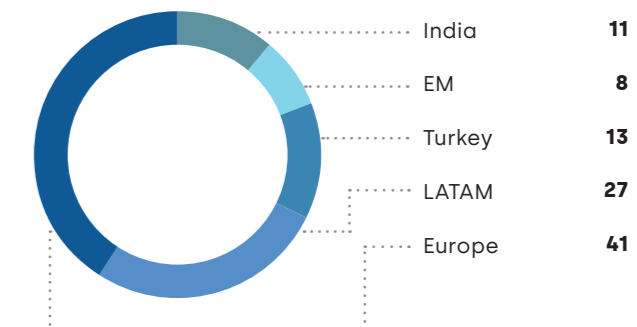
Net Debt to Equity

(x)



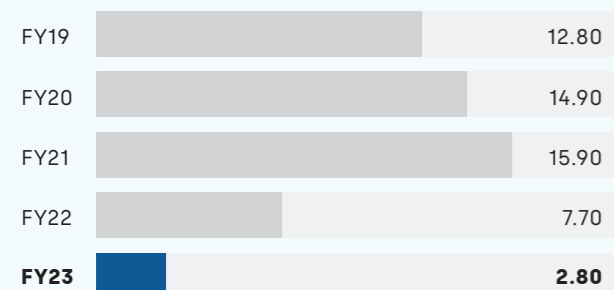
Revenue by Markets – Formulations

(%)



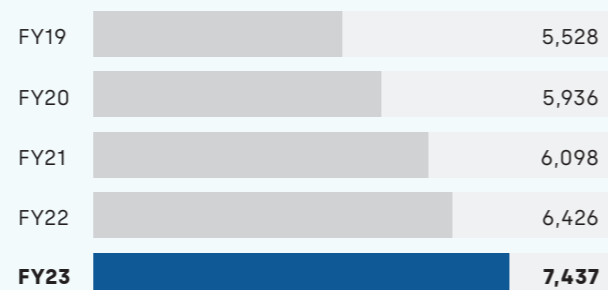
EBITDA Margin

(%)



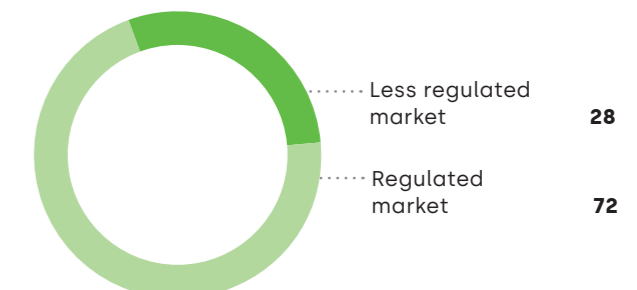
Gross Block + CWIP

(₹ in Mn)



Revenue by Markets – APIs

(%)



Business Segment Review (Formulations)

Sustaining our growth momentum

Our formulations business continues to consolidate across the regions we operate, contributing to 73% of total revenues globally. Our extensive market insights empower us to provide a diverse range of branded generic formulations. This encompasses various therapeutic and nutritional products that address the requirements of multiple species, across different therapeutic classes and dosage forms.

In recent years, we have strategically expanded our direct presence in critical global animal health markets, such as Europe, Brazil, India and Turkey, and have achieved significant success. Our portfolio comprises products from various therapy classes, including antibiotics, anthelmintics, pain management and nutrition.

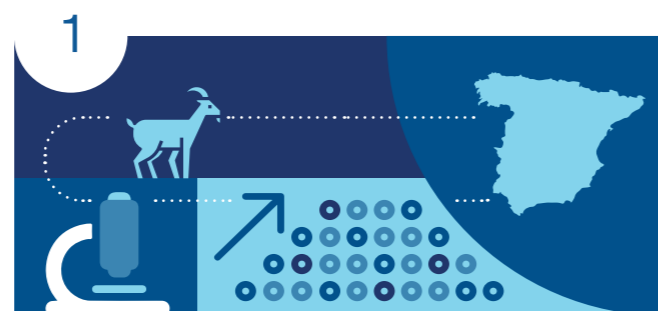
5
Manufacturing sites

4
R&D centres

10+
Products under development

~2/3rd
Sales to regulated markets

GROWTH ENABLERS



Phytosolutions line

We aim to position this line as the main preventive solution for swine, ruminant and poultry production, offering an alternative to antimicrobials. Additionally, we entered the German market, targeting the swine segment by introducing the Phytosolutions line to vet clinics and feed millers, with a debut at the Eurotier exhibition in November 2022.



Expanding portfolio

Our new product development pipeline continues to grow and evolve, with a focus on the Companion Animals segment. We have prioritised high-value projects, identifying 15 top priorities, which account for 65% of the pipeline's growth. Strengthening our Global Marketing team in Barcelona is a significant milestone in our Sequent 2.0 strategy, which aims to establish a more rapid growth model for the Formulations business.

HIGHLIGHTS OF FY23

- ▶ Launched two bio-active products overseas: one for post-weaning diarrhoea in piglets and another for Swine Dysentery.
- ▶ Introduced cloprostenol-based injectable hormone in the European market for cycle synchronisation in gilts and cows.
- ▶ Discontinued manufacturing operations in Germany and shifted to alternative low-cost locations.
- ▶ Nourrie Saúde e Nutrição Animal Ltda in Brazil which was acquired in February 2022 and was integrated into Alivira Brazil's existing structure in Campinas. Sales growth as planned, with the establishment of a Companion Animal team for commercial operations.
- ▶ Implemented a revival plan involving the closure of its wholesaler activity due to limited contribution margin in Spain. Repositioned pricing strategy for CMO activity, aiming to build a stronger and more profitable base for its Formulation business in Europe.
- ▶ In India, cattle business continues to grow by ~10%, despite challenges in rural markets and we are also expanding our team for accelerated growth, going forward.



Business Segment Review (API)

Growing our prominence in regulated markets

Our unwavering commitment to delivering exceptional products on time has established us as a trustworthy and dependable global supplier of Active Pharmaceutical Ingredients (APIs). Our supply security gives our partners peace of mind, and in the animal health industry, we have emerged as a dependable premier supplier of APIs to global companies.

Our products address the specific needs of the animal health sector, and our commitment to serving our customers as valuable partners allow them to maintain and expand their market share.

3
Manufacturing facilities

1
R&D centre

29
US VMF filings

15
CEP filings

~3/4th
Sales to regulated markets

10+
Pipeline

GROWTH ENABLERS



HIGHLIGHTS OF FY23

- ▶ Revenue from regulated markets accounted for ~72% of the total revenue.
- ▶ Strengthened our portfolio with 8 new filings during the year.
- ▶ Made significant investments in capacity expansion to cater to the needs of leading animal health customers.
- ▶ Expanded the capacity of our research and development (R&D) efforts.
- ▶ Implemented a comprehensive margin and operations improvement programme called 'Project Pragati', which is currently underway; the benefits of this programme will be visible in FY24.



Corporate Social Responsibility

Driving community wellbeing

Our community initiatives are focused on fostering positive change in the surrounding communities around our plants. Our goal is to empower these communities and unlock their full potential. By doing so, we aim to create a meaningful difference and lasting impact on the lives of the people.

SUPPORTING ZILLA PARISHAD SCHOOLS AND OTHER SCHOOLS

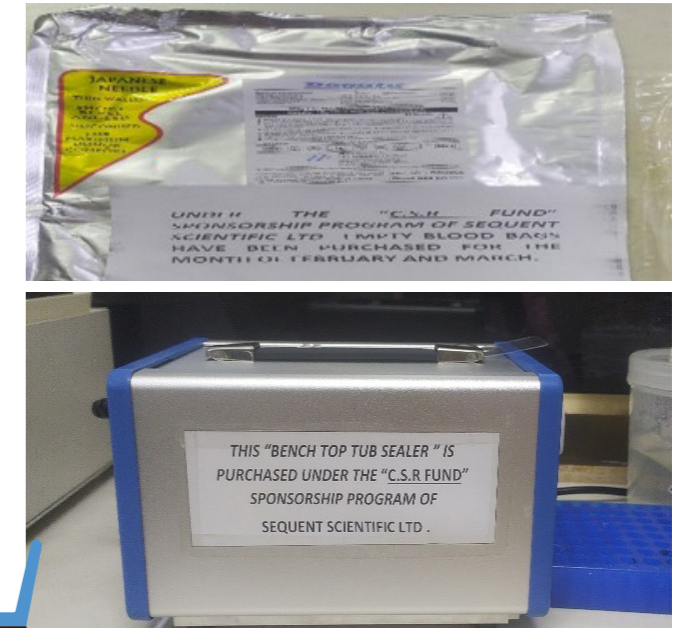
We are improving education at Zilla Parishad schools by building infrastructure and supplying critical equipment. During the review year, we assisted Primary schools in Matwan, Rupawali, Kuti, and Raigad Zilla Parishad school. We built toilets, installed RO water filters, and digitalised classrooms with accessories like TVs, pen drives, and speakers. Additionally, we provided cupboards and chairs for a conducive learning environment. We also set up a computer laboratory at Magasvargiya School, Mahad.



Developed infrastructure and provided critical equipment to Zilla Parishad schools

PROVIDED DONATION TO NOT-FOR-PROFIT BLOOD CENTRE

We provided Kai Wamanrao Oka Blood Centre, Thane, with a Deepee BB Refrigerator, Servo Stabiliser, Ortho Workstation (semi-automated), Bench Top Tube Sealer, and Blood Bags, enhancing their blood storage and testing capabilities.



Provided critical equipment to blood donation centre

INSTALLED WATER DISPENSERS AT GOVERNMENT HOSPITALS

Water dispensers with refrigerators have been installed in various Government hospitals to provide patients, visitors, and healthcare staff with access to cold and clean drinking water.



Installed water dispensers at government hospitals

ENABLING ANIMAL CARE

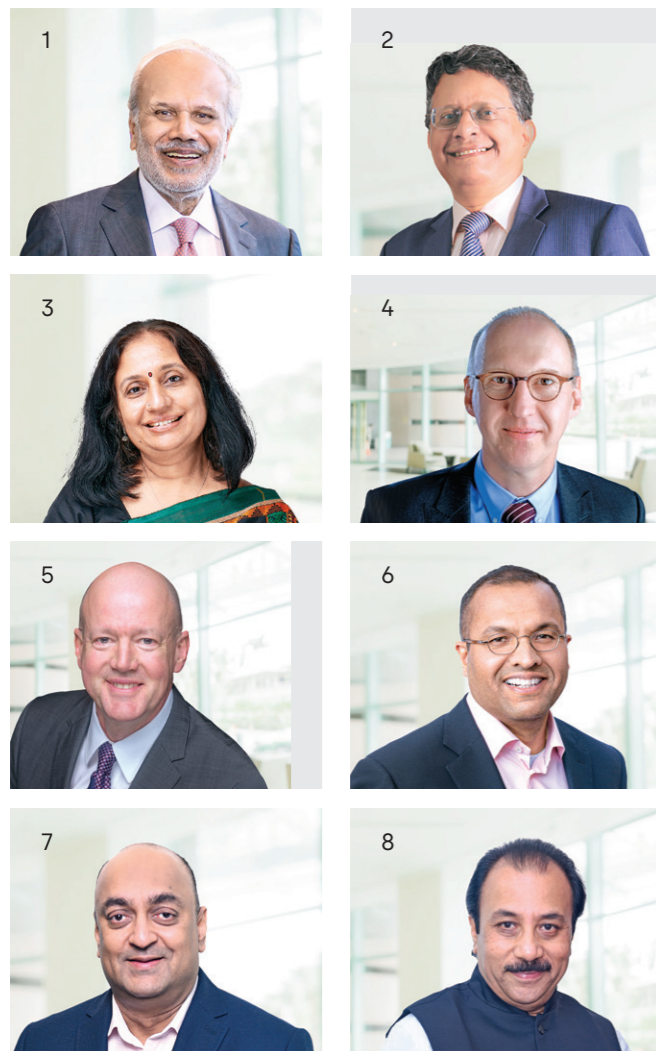
We donated a Refrigerator Van to the Animal Husbandry Department of the Government of Rajasthan. This Refrigerator Van will serve as a crucial resource for safely transporting vaccines and injectables for providing treatment to animals across the region.



Donated refrigerator van to the Animal Husbandry Department of Government of Rajasthan

Board of Directors

Embedding trust and transparency



- 1. Dr. Kamal K. Sharma**
Chairman and Independent Director

- 2. Milind Sarwate**
Independent Director

- 3. Dr. Kausalya Santhanam**
Independent Director

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

- 5. Gregory Andrews**
Non-Executive Director

- 6. Neeraj Bharadwaj**
Non-Executive Director

- 7. Rajaram Narayanan**
Managing Director and Chief Executive Officer

- 8. Sharat Narasapur**
Joint Managing Director

Leadership Team

Driving responsible growth



- 1. Rajaram Narayanan**
Managing Director and Chief Executive Officer

- 2. Sharat Narasapur**
Joint Managing Director

- 3. P.V. Raghavendra Rao**
Chief Financial Officer

- 4. Prasad Lad**
Human Resources

- 5. Ashish Kakabalia**
Business Development and R&D

- 6. Ramon Vila**
Europe Operations

- 7. Sirjiwan Singh**
Technical Operations

- 8. Alan Kelly**
United States Operations

- 9. Jose Nunes Filho**
Latin America Operations

- 10. Alexis Goux**
Global Formulations

- 11. Murat Mentis**
Turkey Operations

- 12. Yawar Abbas**
Emerging Markets





Management Discussion and Analysis

Macro-Economic Overview

After a tumultuous two years characterised by the COVID-19 pandemic and significant disruptions to economic activities, the global economy briefly witnessed a post-pandemic recovery before encountering new challenges and crises in various parts of the world. The Russia-Ukraine conflict and unprecedented levels of inflation worldwide have adversely affected global economic activities.

The International Monetary Fund (IMF) predicts that global growth will slowdown from 3.4% in 2022 to 2.8% in 2023, with advanced economies experiencing a significant slowdown in growth from 2.7% in 2022 to 1.3% in 2023. Emerging market economies (EMEs), on the other hand, are expected to have an average growth rate of 3.9% in 2023, with a projected increase to 4.2% in 2024.

Global inflation is expected to decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024, owing to a combination of factors such as interest rate hikes, falling energy and food prices, and diminishing supply chain pressures. However, core inflation, which excludes volatile items, has proven to be more resilient, indicating that monetary policy is likely to remain restrictive throughout most of 2023. This could impede economic activity and result in rising unemployment rates in several economies.

Animal Healthcare

The animal healthcare sector can be broadly categorised into three segments, namely pharmaceuticals, veterinary services, and medical devices. Several factors are driving the growth of this market, including increasing animal health expenditure, the prevalence of diseases in animals, concerns over zoonoses and the trend of pet humanisation.

Animal health involves the conservation and safeguarding of animals from various diseases, as well as the provision of essential veterinary treatments. It also entails the regular monitoring of animals to prevent disease outbreaks through the use of proper medications and diagnostic products. Ensuring animal health is crucial for maintaining a safe food supply and protecting public health from diseases transmitted by animals. Additionally, maintaining proper animal health aids in providing adequate control and preventive measures to curb the spread of zoonotic diseases among animals and humans.

According to a report by Research and Markets, the global animal health market was valued at USD 36.6 billion in 2022 and is expected to grow at a CAGR of 3.6% from 2022 to 2028. Geographically, North America dominated the market and accounted for over 30% of the revenue share in 2022 while the production animal segment dominated the market and accounted for the largest revenue share in the same year, as per Persistence Market Research. Antiparasitic APIs dominated the global animal health market, mostly in the Asia Pacific region, followed by Anti-infectives APIs. The COVID-19 pandemic had a significant impact on the animal health market, resulting in decreased sales, supply chain or distribution disruptions, low demand and purchasing rates, and operational hurdles.

The increasing prevalence of zoonotic diseases, such as animal flu, tick infestation, and Lyme disease, are key factors that can drive the growth of the animal health market. The trend of adopting pets for companionship is also contributing to the need for proper animal health. Rising awareness among the masses about the benefits of early diagnosis and preventive measures, coupled with the easy availability of animal healthcare products and services, is further propelling the market's growth. Additionally, the rising consciousness on nutrition, is driving the demand for protein-rich foods, such as chicken, fish, beef, and other meats.

The European veterinary healthcare market is expected to grow at a CAGR of 6.61% between 2022 and 2027, according to a report by Mordor Intelligence. The growth in this market can be attributed to rising animal adoption in European countries, increasing initiatives by various governments, and improved animal healthcare, although restrictions on the use of parasiticides in food-producing animals continue to be implemented with greater strictness. Meanwhile, the APAC animal health market is projected to reach USD 22.1 billion by 2025, growing at a CAGR of 7.2% during the forecast period, as per a report by Markets and Markets. The rapid rise in livestock population, increasing awareness of animal health, and rising frequency of animal disease outbreaks are expected to drive the growth of this market.

Outlook

The animal healthcare market is expected to continue its growth trajectory in the coming years, with a growing focus on innovation in animal health leading to measures that are strengthening market growth prospects. Various factors are driving this growth, including increasing pet ownership and healthcare expenditure, rising animal health expenditure, the prevalence of diseases in animals, concerns over zoonotic diseases, technological advancements, and a rising focus on animal welfare.

Production Animals

The production animal segment was the largest revenue contributor to the animal health market in 2022. Policymakers in various countries are striving to achieve total food security by promoting large-scale food production, which leads to greater livestock rearing. Policies are focused on long-term sustainability, which can be achieved by improving productivity and giving greater attention to livestock veterinary healthcare.

Companion Animals

According to GlobeNewswire, the global companion animal health market size accounted for USD 19.6 billion in 2021 and is projected to increase to a market size of USD 43.4 billion by 2030 growing at a CAGR of 9.3% from 2022 to 2030. The growing population of companion animal ownership has led to increasing concerns among owners about their pets' health and nutrition, leading to a rise in demand for veterinary services. This, in turn, is driving the demand for diversified companion healthcare products such as vaccines, feeding products, nutritional supplements, and drugs for various diseases.

The accessibility of advanced veterinary care services and the development of novel drugs and treatments have encouraged pet owners to provide better healthcare to their companion animals, fuelling the market for companion animal health. The rise of online sales channels and e-commerce has made it more convenient for pet owners to purchase veterinary products and services, which has also contributed to the growth of the market. North America is the largest market for companion animal health products, followed by Europe. Asia-Pacific is expected to have the highest growth rate in the coming years due to the increasing number of pet owners and their growing awareness about animal health. Globally, pet ownership is on the rise, with the US having the highest pet ownership rate, followed by Europe and Asia. Over 60% of US households own at least one pet, which indicates a high demand for companion animal health products and services.

About SeQuent Scientific Limited

SeQuent Scientific Limited (referred to as "SeQuent" or "we" or "the Company" or our Company) is India's leading animal health company, with a presence in over 5 continents across 100 countries. The Company's nine manufacturing facilities, located in India, Spain, Brazil and Turkey, have obtained approvals from leading global regulatory bodies such as USFDA, EUGMP, WHO, and TGA, among others. Sequent Scientific Limited provides a wide-ranging portfolio of animal health products, including Finished Dose Formulations, Active Pharmaceutical Ingredients (APIs), as well as analytical services to the pharmaceutical and life sciences industries.

Business Performance Review

Active Pharmaceutical Ingredients (APIs)

Key Highlights, FY23

Particulars	FY23 Updates/ Developments	Total Products
US VMF Filing	5	29
EU CEP Approvals	3	18 (15 approved and 3 under approval)

- Our top 10 customers remain responsible for approximately 58% of sales.
- Sales from regulated markets account for ~72% of total sales.
- We have implemented a comprehensive margin and operations improvement programme.

- We have made new investments in expanding our capacity and enhancing our R&D capabilities.
- Our new product pipeline is gaining momentum, with 8 new filings, including 5 in the USVMF market and 3 in the CEP market.

Growth Drivers

- We signed a long-term MSA with a global player and have begun commercial supply, which will contribute to our revenue in the coming years. We are also in discussions to expand our product offerings.
- We are collaborating with leading companies in the animal health industry and actively negotiating with major pharmaceutical companies to supply additional products worldwide.
- We are now concentrating on building a diverse product range. To accelerate development, we have expanded our R&D facility.
- Our Vizag location has added a new manufacturing block, and we have replaced old equipment in critical operations with new ones to increase productivity and operational efficiency.
- We are currently undertaking process validation activities for APIs exclusively for a large animal health company. We are also qualifying multiple APIs specific to customers' requirements.

Formulations

Key Highlights, FY23

- In Europe, we achieved a y-o-y growth of approximately 1.7% (cc), maintaining a relatively stable performance. Additionally, we successfully implemented strategic initiatives aimed at streamlining operations and optimising cost structures.
- The Emerging Markets segment continues to exhibit strong growth, with a remarkable y-o-y growth rate of 15.9% (cc), despite facing significant challenges in Turkey.
- Despite challenges in rural markets, our cattle business in India experienced a commendable y-o-y growth of around 10%. To sustain and enhance this growth, we are actively expanding our team, positioning ourselves for accelerated growth in the coming years.
- In one of our overseas entities, we have launched two new bio-active products. The first one is designed to combat non-specific post-weaning diarrhea in piglets. The second product is aimed at controlling Swine Dysentery.
- Introduced cloprostenol-based injectable hormone for cycle synchronisation in gilts and cows in the European market.
- After acquiring a 100% stake in Nourrie Saúde e Nutrição Animal Ltda in Brazil in February 2022, Alivira Brazil integrated this new operation into its existing structure in Campinas. Sales continued to grow as planned, and the Company started building a Companion Animal team to drive commercial operations.
- In Spain, Alivira conducted a comprehensive revival plan that involved shutting down its wholesaler activity due to limited contribution margin, as well as repositioning its pricing strategy for its CMO activity. These steps are significant milestones in the Company's quest to build a stronger and more profitable base for its Formulation business in Europe.

Growth Drivers

- **Phytosolutions line:** In FY23, our Phytosolutions line saw significant growth with sales reaching € 4.0 M, representing a +74% increase, driven mainly by Spain. The launch of two new bio-active products further contributed to this growth. The Company plans to position this line as its primary preventive solution for swine, ruminant, and poultry production as an alternative to the usage of anti-microbials. We have also entered the German market focusing on the swine segment, using the Phytosolutions line as a key offering to vet clinics and feed millers, with a launch at the EuroTier exhibition in November 2022.
- **Expanding portfolio:** We have been refining our new product development pipeline, consolidating ongoing development and adding new projects, particularly in the Companion Animals segment. The pipeline growth value has been prioritised, and 15 projects identified as high priority, accounting for 65% of the pipeline's growth. The strengthening of the Global Marketing team in Barcelona, along with this work, is an important milestone in the Sequent 2.0 strategy to establish a faster-growing model for the Formulations business.

Analytical Services

SeQuent Research Limited (SRL), the Company's wholly-owned subsidiary is a Contract Research Organisation focusing on analytical services. The USFDA-approved analytical division is in Mangaluru. With ~70 scientists, SRL has developed robust capabilities in instrument/wet/Trace elements/Genotoxic/Nitrosamine/stability analysis. The division is using Laboratory Information Management System (LIMS). The Analytical division is associated with many global clients.

Focus Markets

The Company is dedicated to ensuring global food security in response to the continuously growing world population, with a specific focus on emerging as a value leader in the animal healthcare industry. With a strong presence in countries with substantial animal populations, it recognises the vast potential that these markets have to offer.

India



The Indian animal health market is growing at a reasonable pace. Over the years, we have expanded our presence in the ruminants and poultry segment. In FY23, the business achieved landmark revenues of ₹1,057 million, growing by 4% YoY.

A scientific redeployment of the field force in the cattle team is planned for next year to cover densely populated districts with crossbred cattle, buffaloes, and sheep across India. In addition, R&D work is ongoing to introduce innovative products that meet the specific needs of the Indian market.

We have identified India as a key market and will be looking for accelerated growth for our current portfolio as well as through inorganic initiatives.

Europe



It is the second-largest animal health market and is expected to grow at a CAGR of ~4%. Growth is expected to be driven by increasing pet ownership, high disposable income, and the growing need for efficient animal husbandry practices to meet the demand for meat protein.

Our business grew marginally by ~1% on a YoY basis owing to the restructuring of our portfolio to focus on more profitable and differentiated segments. Further, the recent politico-economic situation resulted in cost challenges and some slowdown in demand especially for large animals.

We aim to enter new segments in some markets by extending the available portfolio for commercialisation. The Phytosolutions line has shown significant growth in Europe.

As part of our ongoing efforts to enhance profitability, we decided to discontinue manufacturing operations at our plant in Germany. This move is aimed at optimising costs by relocating production to alternative sites with lower expenses. We expect to see the benefit in the coming quarters.

Turkiye



With the largest production capability for ruminant products in domestic manufacturing, Provet Veteriner Urunleri San. Ve Tic. A.S. is the second largest company in Turkey in the ruminant segment, offering a wide range of products to meet the needs of its customers. We operate two state-of-the-art manufacturing plants with multiple manufacturing lines for various dosage forms. These lines produce injectables, oral solutions, aerosols, and tablets, among other forms, catering to the specific requirements of the ruminant segment.

In FY23, we faced macro-economic headwinds including hyperinflation and consequent pressures on Turkish Lira. However, we consolidated the separate product portfolios under the Provet brand. This consolidation was followed by a comprehensive rebranding and product redesign process.

Latin America



In FY23, Alivira Saude Animal Brasil Participacoes Ltda. was among the top 5 players in the poultry and pork segment in the country. Our strong focus on recovering margins and implementing strict cost-control measures resulted in an impressive 19% year-on-year growth.

We have now expanded our reach in Latin America by opening new distributorships in six countries, including Colombia, Chile, Ecuador, Panama, Paraguay, and Bolivia. We have also secured supply contracts in 2023 through large tenders in the Brazilian market.

Our efforts to expand in the LATAM market include the appointment of new distributors, product registration in various countries, and a new management plan for Mexico, which is expected to accelerate our growth in the region.

Emerging Markets



We market our products across multiple emerging markets. In FY22, we took a conservative approach due to stagnant collections, uncertain impacts of lockdowns, and local currency fluctuations against the U.S. dollar. However, in FY23, the business returned to pre-pandemic levels of growth, with significant contributions from South Africa, the Middle East, and Southeast Asia regions.

Global Presence and Marketing

In all of our key markets, we employ a local sales team comprised of both technical veterinary experts and sales executives. They are guided by a global marketing arm that leverages global expertise for high-impact local execution. Through a combination of direct sales and a distributor model, we've expanded our portfolio to over 100 countries.

Global Manufacturing Footprint

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

Business vertical	Location	Highlights
Animal Health API's	Vizag, India	Approvals: USFDA, WHO-Geneva and EU GMP Capabilities: API facility with reactor capacity of 305.9 KL with seven clean rooms
	Mahad, India	Approvals: EU GMP, COFEPRIS Mexico and WHO Capabilities: 23 reactors having a cumulative capacity of 80 KL
API Intermediates	Tarapur, India	Approvals: cGMP Capabilities: Facility with reactor capacity of 64 KL with two clean rooms
Formulations	Spain	Approvals: EU GMP Capabilities: Dedicated beta-lactam powder block and nutritional
	Turkey	Approvals: EU GMP and Turkish GMP Capabilities: Beta-lactam, Non Beta-lactam, hormones
	Turkey	Approvals: Türkiye Ministry of Agriculture and Forestry and Euro GMP - Bulgaria Capabilities: Terminal sterilization, powder-tablet production and feed supplement (premix)
	Brazil	Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Powders and premixes
	Ambernath, India	Approvals: MAPA (Ministry of Agriculture, Livestock and Supply) Capabilities: Premixes, tablets, pastes, suspensions and solutions
Ambernath, India	Approvals: India, Uganda, Ethiopia, and Kenya Capabilities: Oral solutions/suspensions, powders, and premixes	

Employees

Our Company's about 1800 employees are at the heart of our business, and we prioritise providing them with equal opportunities and support to achieve their career goals. We make it a priority to nurture and support our employees and ensure their well-being. As we operate in critical and complex manufacturing operations, we place the highest degree of significance on the health and safety of our employees.

Employee Stock Option Plan (ESOP)

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

- SeQuent Scientific Employee Stock Option Plan 2010 and
- SeQuent Scientific Limited Employees Stock Option Plan 2020

Further details on the above-mentioned ESOP Schemes are available in the Board's Report of the Company.

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. During the year, the accounting impact of the said ESOP issuance was ₹354.11 million.

Governance

Ethics & Governance Committee

The Company has established an Ethics & Governance Committee with the responsibility of overseeing policies related to Anti-Money Laundering, Anti-Bribery and Corruption (ABAC), Counter-Terrorist Financing, Whistleblower Policy and Prevention of Sexual Harassment (POSH). To ensure compliance with these policies, the Company conducts regular awareness programmes to familiarise its employees with the policies. During the year, the Company has conducted the following trainings:

- 1) SeQuent Values & Whistle Blower Policy for employees
- 2) Prevention of Sexual Harassment at the Workplace



- 3) Anti-Corruption Compliance Policy
- 4) Economic Sanctions Compliance Policy
- 5) Anti-Money Laundering & Counter Terrorist Financing Compliance Policy

Policy on Prevention of Harassment and Discrimination

The Company is dedicated to fostering a work environment that is free from any form of discrimination, harassment, or intimidation. To uphold this commitment, the Company has established a Prevention of Sexual Harassment (POSH) Committee at each location. The Committee responds within seven days of receiving any complaint in a confidential manner and an enquiry is completed within 90 days. Additionally, the Company conducts training sessions on the Prevention of Sexual Harassment throughout the year at various locations.

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

Whistle Blower Policy

The Company has established a Whistleblower Policy to encourage the reporting of any improper or unethical behaviour, alleged wrongful conduct, violations of the Company's Code of Conduct or applicable laws, fraud, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues, or misappropriation of Company funds or assets. Additionally, the Company has established policies and procedures for investigating any suspected leak of unpublished price-sensitive information.

The Company's hiring and personnel policies include provisions to protect whistleblowers from wrongful termination or other discriminatory employment practices. The Company is committed to maintaining a safe and secure environment for its employees, and the Whistleblower Policy is one of the ways in which the Company can ensure that any concerns or complaints of the employees are dealt with promptly and effectively.

The Company affirms that in FY23, it has not denied any personnel access to the Whistle Blower Mechanism.

Anti-Corruption Compliance Policy

The Company has implemented an Anti-Corruption Compliance Policy that is applicable in the jurisdiction where it operates, and this policy applies to all directors, officers, as well as full-time, part-time and temporary employees of the Company. The purpose of this policy is to prevent bribery and other unethical practices, and to ensure that the Company responds quickly and effectively to any inquiries regarding its conduct or the conduct of those acting on its behalf. The policy is supported by internal controls that are designed to prevent and detect corrupt activities.

Anti-Money Laundering & Counter Terrorist Financing Compliance Policy

The Anti-Money Laundering & Counter-Terrorist Financing Compliance Policy of Sequent Scientific Limited, applicable in the jurisdiction where it operates, outlines the responsibilities and policies of the Company and its subsidiaries and affiliates to prevent money laundering and terrorist financing activities. The Company is dedicated to comply with all relevant laws and regulations concerning the prevention of money laundering and terrorist financing.

Economic Sanctions Compliance Policy

The Company is committed to comply with all economic sanctions' regulations applicable in the jurisdictions where it operates. To ensure that this commitment is upheld, the Company has established an Economic Sanctions Compliance Policy that serves as a framework for its operations. This policy is designed to communicate the Company's culture of compliance to all its directors, officers, employees, agents, representatives, and any other associated persons, including third parties. Third parties include entities or persons who have the authority or can reasonably be perceived as having the authority, to interact with others on behalf of the Company.

Environment, Health and Safety (EHS)

We are dedicated to maintaining a secure working environment and continually enhancing our infrastructure, work practices, and behaviour. Here are the measures we have implemented:

ESG Focus: We are committed to adhering to ESG principles, including waste minimisation, emissions reduction, and renewable power usage.

Certifications: Our Mahad unit has obtained ISO14001 and ISO45001 certifications, demonstrating our commitment to environmental, health, and safety standards.

Our Ambernath unit has obtained WHO-GMP certification valid upto May 2026

EcoVadis Rating: In FY22, our Mahad unit achieved a silver medal with a score of 63 in the EcoVadis sustainable rating, reflecting our strong sustainability performance.

Risk Reduction: We have developed and implemented new standards and guidelines across our manufacturing sites to mitigate risks. A risk management committee has been established, meeting periodically to monitor progress in risk reduction.

People Safety: We prioritise competency development through training and assessments. To foster a safety culture and prevent workplace incidents resulting from human errors and behaviour, we have engaged Dupont sustainable solutions to work on culture transformation and risk reduction.

Vendor Management: We have a sustainability procurement policy in place to encourage our suppliers/vendors to consider social and environmental factors. We conduct CSR audits to assess vendors on environmental, health, and safety practices, as well as training and competency development.

More details are covered in the Business Responsibility and Sustainability Report, which forms an integral part of the Annual Report.

We are unwavering in our commitment to create a safe and sustainable working environment, and we will continue to drive improvements in these areas.

Threats, Risks and Concerns

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

Key risks	Mitigation measures
Regulatory risks An adverse facility inspection by any regulatory body may cause restriction in sales to certain customers or associated geographies.	We have established robust systems to ensure continuous compliance monitoring. Our employees undergo regular training to stay up-to-date with the latest compliance updates and regulations, enabling them to remain compliant at all times.
Environment, Health and Safety (EHS) There are risks associated with operational safety and environmental compliance as the Company's manufacturing activities involve sophisticated chemical reactions.	Our Company places great importance on maintaining policies and practices that adhere to all relevant environmental, health, and safety standards. To ensure this, we conduct regular reviews of our policies and practices to identify any areas that require improvement or revision. We strive to optimise the use of our resources and continually update our processes to minimise the environmental impact of our operations, products, and services.
Currency volatility risks Foreign currency risk is the risk that will fluctuate the fair value or future cash flows of exposure because of changes in foreign exchange rates.	The Group manages its foreign currency risk by implementing hedging strategies for transactions in geographies where its operations involve currencies other than the local currency. This enables us to mitigate the impact of fluctuations in foreign exchange rates on our financial performance.
Interest rate risk The Group's borrowings are on a floating rate basis, hence any changes in interest rates can have an influence on the Company's performance.	All the local entities of the Group borrow in local currencies tied to the respective base rates in line with their domestic businesses.
Credit Risk The Company's financial assets are subject to credit risk. The customers' credit terms vary depending on market factors in different parts of the world. Financial assets are also subject to counterparty credit risk.	We examine receivables ageing in each geography on a regular basis. Credit restrictions based on a standard model have been established, along with a suitable Delegation of Authority (DOA) matrix for releasing credit blocks.
Liquidity risks Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	Our Company targets low leverage ratios to ensure low liquidity risk.
Information Technology and Cyber Security Risks The Group is heavily reliant on IT systems for its global operations.	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.

Key risks	Mitigation measures
Market risks 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.	Our Board evaluates the Company's investments from a long-term strategic viewpoint, while the Company monitors geopolitical risk on a continuous basis

Risk Management Committee

In line with the requirements under the SEBI LODR, the Company has constituted a Risk Management Committee of the Directors. The Members of the Committee are Mr. Neeraj Bharadwaj (Chairman), Mr. Milind Sarwate (Member), Mr. Rajaram Narayanan (Member) and Mr. P. V. Raghavendra Rao (Member). The RMC met twice during the year on September 16, 2022 and March 13, 2023, in which the current Risk Management process was evaluated and ways and means of strengthening the same were discussed.

Financial Review

Consolidated financial performance

Ratios	₹ in million	
	FY23	FY22
Revenue from Operations	14,209	14,128
EBITDA (pre-ESOP)	756	1,423
EBITDA margin (pre-ESOP)	5.3%	10.1%
EBITDA	402	1,094
EBITDA margin	2.8%	7.7%
Profit/loss after tax	(1,220)	446

During FY23, we recorded an operational revenue of ₹14,209 million, demonstrating a slight growth from the previous fiscal year's ₹14,128 million. However, our EBITDA (pre-ESOP) experienced a decline, dropping to ₹756 million in FY23 compared to ₹1,423 million in FY22. Moreover, we incurred a net loss of ₹1,220 million in FY23, primarily attributable to exceptional factors such as the closure of a plant in Germany and the adverse effects of the recent events in Turkey.

Revenue Performance by Geography

Revenue distribution	FY23	FY22	YoY Growth %	YoY Growth % (In cc)
Formulations	10,009	9,686	3.3%	9.9%
Europe	4,147	4,205	(1.4%)	1.7%
Emerging Markets	4,807	4,461	7.8%	15.9%
India	1,055	1,021	3.4%	3.4%
APIs	3,808	4,314	(11.7%)	(15.4%)
Other Sales	102	128	NM	NM
Global Sales	13,920	14,128	(1.5%)	2.2%
Adjustment* - Ind AS 29	289	-		
Reported Sales	14,209	14,128	0.6%	2.2%

cc - Constant Currency | *Adjustment on account of hyperinflation in Turkey as per Ind AS 29 | NM - Not Material

In formulations, we reported a modest increase in revenue, reaching ₹10,009 million in FY23 compared to ₹9,686 million in FY22. Despite encountering various challenges in different regions, our emerging markets exhibited strong growth of 7.8%, serving as a significant driver for our overall performance in the formulations segment. However, the European market experienced relatively stagnant growth during this period. To enhance our operational efficiency and optimize cost structures, we implemented strategic initiatives throughout the year. These measures were designed to streamline our operations and align them with our business objectives.

In the API business, our revenue in FY23 reached ₹3,808 million, showing a decline from the ₹4,314 million reported in FY22. Our top 10 customers played a crucial role, contributing approximately 58% of our total sales. Notably, more than 70% of our API revenues were derived from customers operating in regulated markets. We expedited our regulatory filings and achieved successful registrations for five Veterinary Master Files (VMFs) and three

Certificates of Suitability (CEPs). These accomplishments have positioned us to provide improved services to our customers and strengthen our presence in the market. We have strategically invested in expanding our capacity to accommodate emerging business opportunities. Additionally, we have bolstered our Research and Development team to meet the specific demands of our partnerships with prominent Animal Health companies.

Key Ratios

Ratios	FY23	FY22
Debtors Turnover Ratio (Days)	88	85
Inventory Turnover Ratio (Days)	89	90
Interest Coverage Ratio	(1.02)	4.38
Current Ratio	1.48	1.54
Debt Equity Ratio	0.51	0.37
Operating Margin Ratio	2.02%	7.74%
Net Profit Margin	(8.58)%	3.17%
Return on net worth (RONW)	(20.70)%	5.96%

Internal Control

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

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.

Board's Report

Dear Members,

The Board of Directors presents the Company's Thirty-Eight Annual Report along with the Company's Audited Financial Statements for the financial year ended March 31, 2023.

1. Financial Summary

The summarized financial performance (Standalone and Consolidated) of your Company for FY23 and FY22 is given below:

Particulars	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
Revenue from Operations	2,226.85	2,196.26	14,209.09	14,128.16
Other Income	282.42	276.43	63.90	108.45
Profit/ (Loss) before interest, depreciation and tax	19.62	268.93	183.45	1,202.45
Less: Finance costs	25.13	16.10	355.17	157.74
Less: Depreciation and amortisation expenses	91.95	95.93	556.93	515.41*
Profit/(Loss) before exceptional items and tax	(97.46)	156.90	(728.65)	529.30*
Exceptional items	-	-	647.93	-
Profit/(Loss) before tax (after exceptional items and tax)	(97.46)	156.90	(1,376.58)	529.30*
Tax expense / (Credit) - Current Tax	0.20	25.12	78.39	257.28
- Deferred tax	(38.72)	5.20	(231.96)	(55.32)*
- Current tax of prior period (reversed)/ provided	(5.92)	(21.41)	(3.24)	(120.30)
Profit/(Loss) after tax	(60.80)	147.99	(1,219.77)	447.64*
Net Profit for the year attributable to:				
Owners of the Company	(60.80)	147.99	(1,211.59)	409.55*
Non-controlling interest	-	-	(8.18)	38.09

* Figures are restated as per IND AS 103

2. Business Performance Review

During FY 2022-23 (FY23), on consolidated basis, your Company's revenues stood at ₹14,209.09 million as against ₹14,128.16 million in FY 2021-22 (FY22). The Company posted loss after tax of ₹1,219.77 million in FY23 as against profit after tax of ₹447.64 million in FY22.

On a standalone basis, your Company's revenues for FY23 stood at ₹2,226.85 million as against ₹2,196.26 million in FY22. The Company posted a loss after tax of ₹60.80 million in FY23 as against profit after tax of ₹147.99 million in FY22.

Business Overview:

Formulations

- In Spain, Alivira launched two new bio-active products in its Phytosolutions line. The first one, Gastro Herb Plus, is designed to combat non-specific post-weaning diarrhoea in piglets. The second product, Dystop, is aimed at controlling Swine Dysentery as a replacement for EDTA.
- Introduced Synchronate, a cloprostenol-based injectable hormone for cycle synchronization in gilts and cows in the European market. Synchronate is the second group launch in Europe, following the launch of Tulathromycin in FY21.
- After acquiring 100% stake in Nourrie Saúde e Nutrição Animal Ltda in Brazil in February 2022, Alivira Brazil integrated this new operation into its existing structure in Campinas. Sales of Transuin continued to grow as planned, and the Company started structuring a Companion Animal team to drive commercial operations.
- India formulation business performed well in FY23, achieving a revenue of ₹1,055 million.

API

- Filed 5 USVMF, total USVMF filings now at 29, with 18 CEP approvals.
- Process validation activities for API on exclusive basis for a large animal health company has been initiated.
- Addition of a new manufacturing block in Vizag replaced old equipment in critical operations with new ones to increase productivity and operational efficiency.
- Expansion of R&D to build a diverse product range that includes pain management and antibacterial segments.

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

3. Dividend

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

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

4. Transfer to Reserves

No amount has been transferred to the Reserves during the year under review.

5. Share Capital

As on March 31, 2023, the Authorized Share Capital of the Company was ₹80,00,00,000/- divided into 40,00,00,000 equity shares of ₹2/- each.

The issued, subscribed and paid-up equity share capital of the Company as on March 31, 2023, was ₹49,88,66,990/- divided into 24,94,33,495 equity shares of ₹2/- each.

During the year under review, there has been no change in the authorized share capital of your Company. Your Company had allotted 10,62,500 equity shares of ₹2/- each to the employees, who have exercised stock options during the year.

Your Company has not issued any equity shares with differential voting rights or sweat equity shares. Further, your Company has not allotted any equity shares after the balance sheet date i.e. March 31, 2023.

6. Consolidated Financial Statements

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

7. Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2023, your Company has 21 (Twenty-One) Subsidiaries, out of which 14 are Wholly Owned Subsidiaries and your Company does not have any Joint Ventures/ Associate Companies.

Following are the changes in subsidiaries during the financial year ended March 31, 2023:

Name of the Subsidiary	Country	Changes during the year
Nourrie Saude E Nutricao Animal Ltda	Brazil	Merged with Alivira Saude Animal Ltda w.e.f 1 st July, 2022

8. Accounts of Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013 ('the Act') read with rules made thereunder, a statement providing details of performance and salient features of the Financial Statements of Subsidiaries is given in Form AOC-1 attached as an "Annexure 1" forming part of this Report.

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

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

9. Annual Return

The draft Annual Return of the Company for FY23, is available on the Company's website and can be accessed at <https://www.sequent.in/>.

10. Credit Rating

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

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

11. 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.

12. Directors & Key Managerial Personnel

As on March 31, 2023, the Board comprises of 8 (Eight) Directors out of which 2 (Two) Directors are Executive, 3 (Three) Directors are Non-Executive Independent including one Woman Director and 3 (Three) Directors are Non- Executive Non-Independent. All Directors are competent and experienced personalities in their respective fields. The Board is chaired by Dr. Kamal Sharma, Independent Director of the Company.

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

- Mr. Manish Gupta (DIN: 06805265) ceased to be the Managing Director and Chief Executive Officer of the Company on April 10, 2022.
- Mr. Rajaram Narayanan (DIN: 02977405) was appointed as a Managing Director and Chief Executive Officer of the Company by the Board of Directors on April 11, 2022. The Members of the Company have also approved the said appointment vide Special Resolution passed through Postal Ballot on April 09, 2022.
- Mr. Rahul Mukim (DIN: 06996915) ceased to be the Director of the Company w.e.f December 06, 2022.

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

- they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- they have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs.

Mr. Tushar Mistry ceased to be the Chief Financial Officer of the Company w.e.f May 31, 2022.

Mr. P.V. Raghavendra Rao, was appointed as the Chief Financial Officer of the Company w.e.f July 25, 2022.

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

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Gregory Andrews, Director of the Company, shall retire by rotation at the ensuing AGM. The Board of Directors has recommended his re-appointment.

13. Board Evaluation

Pursuant to provisions of Schedule IV of the Act and rules made thereunder and provisions of Listing Regulations, the Company had formulated a policy called 'SeQuent Board Performance Evaluation Policy' (the 'Policy') for performance evaluation of the Board, its Committees, Chairperson of the Board, and other individual Directors (including Independent Directors). Based on the criteria mentioned in the Policy, your Company has prepared a questionnaire to carry out the performance evaluation of the Board, its Committees, Chairperson of the Board, and other individual Directors (including Independent Directors) on an annual basis. The questionnaire is structured to embed various parameters based on which the performance can be evaluated. Based on these criteria's, the Nomination and Remuneration Committee

(hereinafter referred to as "NRC") and the Board carried out annual performance evaluation of the Board, its Committees, Chairperson of the Board, and Individual Directors (including Independent Directors). The Independent Directors carried out annual performance evaluation of the Chairperson of the Board, the Non-independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. The results of the performance evaluation were sent to the Chairman of the Board.

14. Meetings of The Board

During the year under review, 5 (Five) Board Meetings were held on May 25, 2022, July 15, 2022, August 08, 2022, November 07, 2022, and February 14, 2023. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report for the financial year ended March 31, 2023, forming an integral part of this Annual Report.

15. 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 people who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to guide the Board in relation to the appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- NRC to evaluate the performance of the Members of the Board including Independent Directors to provide necessary information/ report to the Board for further evaluation.
- NRC to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial person and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Directors, Key Managerial Personnel and Senior Management Personnel of the Company and to regularly review the plan.

16. Committees of The Board

The Board of Directors have the following Committees:

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

The details of the Committees along with their composition, number and dates of the Meetings and attendance at the Meetings are provided in the Corporate Governance Report for the financial year ended March 31, 2023, forming integral part of this Annual Report.

17. 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. SRBC & CO LLP, Chartered Accountants (Firm Registration No. 324982E/ E300003) were appointed as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 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, 2023, forms integral part of the Annual report and does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter.

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretary (Certificate of Practice No: 2631) to conduct Secretarial Audit of the Company for the year ended March 31, 2023, and its unlisted material subsidiary, Alivira Animal Health Limited (Alivira).

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

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

Cost Auditors

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

Pursuant to Section 148(3) of the Act read with Companies (Cost Records and Audit) Rules, 2014, M/s. Kirit Mehta & Co, Practicing Cost Accountants, were appointed as the Cost Auditors of the Company for FY23 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, 2023, would be filed within the due date prescribed by law.

The remuneration proposed to be paid to the Cost Auditors for the financial year 2023-24, forms part of the Notice of the ensuing AGM for ratification by the Shareholders.

18. Segment

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

19. 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.

20. 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 victimization of employees who avail this mechanism and none of the employees or directors have been denied access to the Audit Committee.

The Whistle blower policy can be accessed at <https://sequent.in/pdf/policies/Whistle%20Blower%20Policy.pdf>

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

22. Related Party Transactions

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

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

The Company has the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions in the line with the Listing Regulations and the same can be accessed at <https://www.sequent.in/pdf/policies/Amended%20Policy%20on%20Related%20Party%20Transactions.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.

23. Corporate Social Responsibility

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

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

24. Internal Financial Controls

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

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

25. Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2023 have been selected and applied consistently and judgements 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, 2023 and of the loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements for the year ended March 31, 2023, have been prepared on a going concern basis;
- internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

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

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

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

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

During the year under review, no complaints pertaining to sexual harassment were received and no complaints were pending as on March 31, 2023.



28. 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, 2023, forms integral part of this Annual Report.

29. Business Responsibility and Sustainability Reporting (BRSR)

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

30. 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, outlook, opportunities, and threats for the year ended March 31, 2023, forms integral part of this Annual Report.

31. Risk Management

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

The constitution of the Committee and details of the meeting held are disclosed in the Corporate Governance Report for the financial year ended March 31, 2023, forming an integral part of this Annual Report.

32. Secretarial Standards

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

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

There were no material changes or commitments affecting the financial position of your Company between the end of FY23 and the date of this report.

34. Significant and Material Orders Passed by the Regulators or Courts or Tribunals

There were 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.

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 ('IBC') nor any proceeding is pending under IBC and there was no instance of onetime settlement with any Bank or Financial Institution.

35. Employee Stock Option Scheme

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

- SeQuent Scientific Employee Stock Option Plan 2010 and
- SeQuent Scientific Limited Employees Stock Option Plan 2020

The details as required to be disclosed under Section 62 of the Act read with Rule 1 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBS Regulations) are given in 'Annexure 6' forming part of this report.

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

36. 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.

37. Acknowledgement

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

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

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

Place: Thane
Date: May 23, 2023

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

PART A - SUBSIDIARIES
Information relating to Subsidiaries of the Company as at March 31, 2023

Sl No.	Name of the Subsidiary	The date since 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	b	c	d	e	f	g	h	i	j	k
							Share Capital (Includes Monies pending allotment)	Reserves & Surplus	Total Assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% Share holding
1	Alivira Animal Health Limited, India	September 30, 2013	India	NA	INR	-	4,77.76	4,713.19	10,461.82	5,270.86	5,464.40	4,400.25	(196.63)	(52.53)	(144.30)	-	100.00%
2	Alivira Animal Health Limited, Ireland	September 1, 2014	Ireland	NA	USD	82.2169	1,580.48	2,709.92	6,476.25	2,185.85	3,739.15	502.72	(1,590.29)	-	(1,590.29)	-	100.00%
3	Provet Veteriner Ürünleri San. Ve Tic. A.Ş.	September 9, 2014	Turkey	NA	TRY	4.2840	12.90	280.51	1,244.31	950.91	79.20	1,421.00	(63.95)	22.28	(86.23)	-	100.00%
4	Topkim Topkapi Ilac Premiks Sanayi Ve Ticaret A.Ş.	December 11, 2015	Turkey	NA	TRY	4.2840	6.45	223.11	699.13	469.57	-	963.14	(355.39)	(29.97)	(325.42)	-	100.00%
5	SeQuant Research Limited	April 13, 2007	India	NA	INR	-	44.10	30.53	169.75	95.11	-	90.47	(13.90)	0.52	(14.42)	-	100.00%
6	Fendigo SA	December 3, 2015	Belgium	NA	Euro	89.6076	13.88	301.65	503.85	188.32	-	1,016.02	142.49	31.12	111.37	-	100.00%
7	Fendigo BV	December 3, 2015	Netherlands	NA	Euro	89.6076	2.69	35.36	49.09	11.05	-	102.18	34.13	5.88	28.25	-	100.00%
8	N-Vet AB	December 3, 2015	Sweden	NA	SEK	7.9208	4.75	80.19	134.57	49.63	-	157.91	19.56	4.29	15.27	-	96.10%
9	Alivira Saude Animal Brasil Participacoes Ltda	June 10, 2016	Brazil	NA	BRL	16.2258	15.95	(201.45)	768.34	953.84	767.97	-	(24.49)	27.00	(51.50)	-	100.00%
10	Alivira Saude Animal Ltda. (formerly known as Evance Saude Animal Ltda. and Interchange Veterinaria Industria E Comercio Ltda.)	August 1, 2016	Brazil	NA	BRL	16.2258	211.26	(451.44)	893.16	1,133.34	-	1,922.59	94.40	(61.14)	155.54	-	100.00%

Sl No.	Name of the Subsidiary	The date since 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	b	c	d	e	f	g	h	i	j	k
							Share Capital (Includes Monies pending allotment)	Reserves & Surplus	Total Assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% Shareholding
11	Evanyet Distribuidora De Produtos Veterinarios Ltda (Formerly known as Evance Saude Animal Ltda.)	December 26, 2018	Brazil	NA	BRL	16.2258	0.57	192.44	318.50	125.49	-	1,179.65	159.27	38.28	120.99	-	100.00%
12	Vila Viña Participaciones S.L.	July 1, 2016	Spain	NA	EURO	89.6076	191.00	181.66	381.10	8.44	357.07	25.07	6.87	0.38	6.49	-	60.00%
13	Laboratorios Karizoo, S.A.	July 1, 2016	Spain	NA	EURO	89.6076	31.97	759.75	2,387.55	1,595.84	21.22	3,113.96	(60.75)	(16.11)	(44.64)	-	60.00%
14	Laboratorios Karzoo, S.A. DE C.V. (Mexico)	July 1, 2016	Mexico	NA	PESO	4.5654	27.89	54.19	198.91	116.83	-	349.13	3.00	(0.13)	3.13	-	60.00%
15	Comercial Vila Veterinaria De Lleida S.L.	July 1, 2016	Spain	NA	EURO	89.6076	0.81	93.20	136.45	42.45	-	338.28	0.37	0.09	0.28	-	60.00%
16	Phytotherapeutic Solutions S.L.	July 1, 2016	Spain	NA	EURO	89.6076	2.69	214.75	258.46	41.02	-	264.91	(661.29)	13.34	41.60	-	60.00%
17	Bremer Pharma GmbH	April 17, 2018	Germany	NA	EURO	89.6076	65.41	(1,030.91)	118.07	1,083.55	-	398.89	(16.05)	0.58	(661.87)	-	100.00%
18	Alivira France S.A.S.	February 02, 2018	France	NA	EURO	89.6076	134.41	(151.20)	-	16.79	-	-	(16.05)	-	(16.05)	-	75.00%
19	Alivira Italia S.R.L.	January 21, 2019	Italy	NA	EURO	89.6076	8.96	(25.53)	83.70	100.27	-	106.14	(4.77)	0.28	(5.06)	-	95.00%
20	Alivira Animal Health USA LLC	March 30, 2020	USA	NA	USD	82.2169	88.01	(86.03)	3.00	1.02	-	-	(37.72)	-	(37.72)	-	100.00%
21	Alivira Animal Health UK Ltd	April 29, 2020	United Kingdom	NA	GBP	101.8728	1.53	(1.49)	0.09	0.05	-	-	-	-	-	-	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: Nil

3 Change in name of subsidiaries: Nil

4 Name of Subsidiaries merged during the year: Nourrie Saúde e Nutrição Animal Ltda merged with Alivira Saude Animal Ltda w.e.f 01st July, 2022

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2023

For and on behalf of the Board of Directors

Date: May 23, 2023
Place: Thane

Rajaram Narayanan
Managing Director & Chief Executive Officer

Sharat Narasapur
Joint Managing Director

P. V. Raghavendra Rao
Chief Financial Officer

Krunal Shah
Company Secretary



Annexure 2A

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

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

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2023, 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, 2023, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- a. The Drugs & Cosmetics Act, 1940;
- b. The Drug (Price Control) Order, 2013;
- c. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made there under;
- d. The Narcotic Drugs and Psychotropic Substances Rules, 1985.

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

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

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

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (ii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice/s were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (unless agreed by members of the Board) and a reasonable system exists for Board Members seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs.

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

Date: 23.05.2023
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554E000361229

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

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



Annexure A to Annexure 2A

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and occurrence of events.
- 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.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Date: 23.05.2023
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554E000361229

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

Annexure 2B

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

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

Dear Sir / Madam,

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

Based on our limited verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2023, 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, 2023, according to the provisions of:

- The Companies Act, 2013 and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 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;
- Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:
 - The Drugs & Cosmetics Act, 1940;
 - The Drug (Price Control) Order, 2013;
 - The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made there under;
 - The Narcotic Drugs and Psychotropic Substances Rules, 1985.

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

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

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

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (viii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
- (ix) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (x) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice/s were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and short notice in case of urgency, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs.

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

Date: 23.05.2023
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554E000361350

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

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

Annexure A to Annexure 2B

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

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

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

Date: 23.05.2023
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554E000361350

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

Annexure 3

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

A.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2023:	<p>As on date of this Report, the Board comprises of 8 (Eight) Directors consisting of 2 (Two) Executive Directors, 3 (Three) Independent Directors and 3 (Three) Non-Executive Directors.</p> <p>The Non-Executive/ Independent Directors receive a sitting fee of ₹0.1 million/- for attending each meeting of the Board and the Committees. The Board and the Committees and are also eligible for commission on profit.</p> <p>The ratio of remuneration of each Directors/KMP to the median remuneration of the employees of the Company for the financial year March 31, 2023:</p> <table border="1"> <thead> <tr> <th>Name of the Director/KMP</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Mr. Rajaram Narayanan Managing Director (Appointed w.e.f April 11, 2022)</td> <td>94.96</td> </tr> <tr> <td>Mr. Sharat Narasapur, Joint Managing Director</td> <td>Refer Note 1</td> </tr> <tr> <td>Mr. P V Raghavendra Rao Chief Financial Officer (Appointed w.e.f July 25, 2022)</td> <td>56.97</td> </tr> <tr> <td>Mr. Krunal Shah, Company Secretary</td> <td>8.16</td> </tr> </tbody> </table> <p>The median remuneration for the period under review is approximately ₹2,10,603 /-.</p>	Name of the Director/KMP	Ratio	Mr. Rajaram Narayanan Managing Director (Appointed w.e.f April 11, 2022)	94.96	Mr. Sharat Narasapur, Joint Managing Director	Refer Note 1	Mr. P V Raghavendra Rao Chief Financial Officer (Appointed w.e.f July 25, 2022)	56.97	Mr. Krunal Shah, Company Secretary	8.16					
Name of the Director/KMP	Ratio																
Mr. Rajaram Narayanan Managing Director (Appointed w.e.f April 11, 2022)	94.96																
Mr. Sharat Narasapur, Joint Managing Director	Refer Note 1																
Mr. P V Raghavendra Rao Chief Financial Officer (Appointed w.e.f July 25, 2022)	56.97																
Mr. Krunal Shah, Company Secretary	8.16																
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, 2023:	<table border="1"> <thead> <tr> <th>Sl. No</th> <th>Particulars</th> <th>% Increase</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Rajaram Narayanan Managing Director (appointed w.e.f April 11, 2022)</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Mr. Sharat Narasapur Joint Managing Director</td> <td>Refer Note 1</td> </tr> <tr> <td>3.</td> <td>Mr. P V Raghavendra Rao Chief Financial Officer (appointed w.e.f July 25, 2022)</td> <td>-</td> </tr> <tr> <td>4.</td> <td>Krunal Shah Company Secretary</td> <td>7</td> </tr> </tbody> </table>	Sl. No	Particulars	% Increase	1.	Rajaram Narayanan Managing Director (appointed w.e.f April 11, 2022)	-	2.	Mr. Sharat Narasapur Joint Managing Director	Refer Note 1	3.	Mr. P V Raghavendra Rao Chief Financial Officer (appointed w.e.f July 25, 2022)	-	4.	Krunal Shah Company Secretary	7
Sl. No	Particulars	% Increase															
1.	Rajaram Narayanan Managing Director (appointed w.e.f April 11, 2022)	-															
2.	Mr. Sharat Narasapur Joint Managing Director	Refer Note 1															
3.	Mr. P V Raghavendra Rao Chief Financial Officer (appointed w.e.f July 25, 2022)	-															
4.	Krunal Shah Company Secretary	7															
C.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2023	19.53															
D.	The number of the permanent employees on the rolls of Company as on March 31, 2023	478															

E.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase in salaries of employees (other than managerial personnel) was 9.6% and for managerial personnel was 6.6%.
----	--	--

Notes:

- Mr. Sharat Narasapur did not draw 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.
- The remuneration of Independent and Non-Executive Directors of the Company comprises of sitting fees for attending Board and Committee Meetings and commission on profit. Hence, calculation of percentage increase in remuneration is not applicable.
- 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.
- 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 FY23 is as per the Remuneration Policy of the Company.

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

Dr. Kamal Sharma
Chairman

Place: Thane
Date: May 23, 2023

Annexure 4

ANNUAL REPORT ON CSR ACTIVITIES OF SEQUENT SCIENTIFIC LIMITED FOR FY23

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 marginalized 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:

During the year, consequent to the resignation of Mr. Rahul Mukim, the Corporate Social Responsibility Committee of the Company was re-constituted on December 06, 2022 by the Board of Directors by inducting Mr. Rajaram Narayanan as a member in place of Mr. Rahul Mukim. The attendance at CSR Committee meeting held during the year is as under:

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held when director was a member	Number of meetings of CSR Committee attended during the year
1.	Dr. Kamal Sharma	Chairman & Independent Director	2	2
2.	Mr. Rajaram Narayanan	Managing Director & Chief Executive Officer	1	1
3.	Mr. Sharat Narasapur	Member & Joint Managing Director	2	2
4.	Mr. Rahul Mukim	Member	1	0

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): **₹231.22 million**
7. (a) Two percent of average net profit of the Company as per section 135(5): **₹4.62 million**
- (b) Surplus arising out of the CSR projects or programmed or activities of the previous financial years: **Nil**
- (c) Amount require to be set of for the financial yea, if any: **Nil**
- (d) Total CSR obligation for the financial year (7a+7b-7c): **₹4.62 million**

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

Total Amount Spent for the Financial Year. (in million)	Amount Unspent (in million)*	
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).
4.63	-	-
	Not Applicable	Not Applicable
	Not Applicable	Not Applicable

- (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:

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.	(7) Amount allocated for the project during FY22 (in million)	(8) Amount spent in the current financial Year (in million)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in million)	(10) Mode of Implementation Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
HEALTH & HYGIENE												
1	Infrastructural support to ZP- Primary school – Matwan village	Promoting health care including and sanitation	Yes	Maharashtra	Raigad	1 Year	0.70	0.70	Nil	Yes	N.A.	N.A.
2	RO water filter at ZP- Primary school – Matwan village	Making available safe drinking water	Yes	Maharashtra	Raigad	1 Year	0.01	0.01	Nil	Yes	N.A.	N.A.
3	RO water filter at ZP- Primary school Kutil Village	Making available safe drinking water	Yes	Maharashtra	Raigad	1 Year	0.01	0.01	Nil	Yes	N.A.	N.A.
4	RO water filter at Raigad Zilla Parishad School	Making available safe drinking water	Yes	Maharashtra	Raigad	1 Year	0.02	0.02	Nil	Yes	N.A.	N.A.
5	Kai Wamanrao Oka Blood Centre	Promoting health care	Yes	Maharashtra	Thane	1 Year	1.24	1.24	Nil	Yes	N.A.	N.A.
6	Water dispensers at Veterinary Government Hospital	Animal Welfare	Yes	Rajasthan	Jodhpur and Alwar	1 Year	0.95	0.95	Nil	Yes	N.A.	N.A.

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project during FY22 (in million)	(8) Amount spent in the current financial year (in million)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in million)	(10) Mode of Implementation Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
7	Refrigerator Van for carrying Vaccines/ injectable for Animals to the Animal Husbandry Department of Government of Rajasthan	Animal Welfare	Yes	Rajasthan	Jaipur	1 Year	1.27	1.27	Nil	Yes	N.A.	N.A.
Total							4.20					
EDUCATION												
1	Education Support to ZP- Primary school Matwan village	Promoting Education	Yes	Maharashtra	Raigad	1 Year	0.06	0.06	Nil	Yes	N.A.	N.A.
2	Education Support to ZP- Primary school Rupawali Village	Promoting Education	Yes	Maharashtra	Raigad	1 Year	0.08	0.08	Nil	Yes	N.A.	N.A.
3	Education Support to ZP- Primary school Kutil Village	Promoting Education	Yes	Maharashtra	Raigad	1 Year	0.06	0.06	Nil	Yes	N.A.	N.A.
4	Education Support to Raigad Zilla Parishad School	Promoting Education	Yes	Maharashtra	Raigad	1 Year	0.06	0.06	Nil	Yes	N.A.	N.A.
5	Education Support to Government Residential School for S.C. Boys, Javli	Promoting Education	Yes	Maharashtra	Raigad	1 Year	0.14	0.14	Nil	Yes	N.A.	N.A.
Total							0.4					

- (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): **₹4.62 million**
- (g) Excess amount for set off, if any: **Not Applicable**

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in million)	Amount spent in the reporting Financial Year (in million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of transfer	
1.	2021-22	1.56	1.56	N.A.	N.A.	N.A.	Nil
2.	2020-21	0.97	0.97	N.A.	N.A.	N.A.	Nil
3.	2019-20	Nil	Nil	N.A.	N.A.	N.A.	Nil
Total							

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

Sl. No.	Preceding Financial Year	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in million)	Amount spent on the project in the reporting Financial Year (in million)	Cumulative amount spent at the end of reporting Financial Year. (in million)	Status of the project - Completed / Ongoing
1.	Skill Development	FY22	3 Years	2.62	1.56	2.62	Completed

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).

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). **Not Applicable**

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

Place: Thane
Date: May 23, 2023

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

Rajaram Narayanan,
Managing Director &
Chief Executive Officer
DIN: 02977405

Annexure 5

The particulars on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/ Outgo and Research & Development as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

(A) Conservation of energy and Technology Absorption

Going green is a step taken towards sustainable development. We are proactively adopting a green approach to make API manufacturing environmentally sound. Our efforts to make our processes green are focused on the reduction of solvent usage, eliminating unit operations, recovering unspent raw materials, reducing the quantity of raw materials used, and minimizing effluent generation. A cross-functional team approach, with participation from R&D, TSD, and Production, has demonstrated encouraging results. We acknowledge that these approaches are not straightforward; they are complex. Nevertheless, we undertake them for a positive impact on the environment.

(i) Steps taken or impact on conservation of energy

Mahad

Steps taken

Energy Saving

- Insulation repairs were completed for chilled water and brine header lines and equipment as condenser which resulted to saving in power of Chilling plant and Brine plant.
- Installation of 7 Nos. subzero to air conditioner as temp. preset to 24 deg centi. (power Saving 6% for 1 deg raise in temp)
- Replacement of existing conventional lights with 511 Nos. LED lights of various wattage to save power consumption and increase in lux level.

Water Saving

- 2-3 KL PWS reject water reusing for Admin casual Toilets for flushing urinal and commodes. (Water Savings approx. 700 M3/year)
- 10-12 KL PWS reject water reuse for utility cooling tower as make up water (Water savings approx. 3000 M3/year)
- Collection of warehouse house roof rain water to use for boiler as feed water in rainy season

Other initiatives

- Modification in ATFD steam trap lines and installation of new float type traps to save the steam losses and increased recovery of steam condensate for boiler feed.
- Reuse of the MS and SS pipe of damaged heat exchanger to use as railing pipes, fabrication of ladders, supports, cable rack supports etc.
- Reuse of MS and SS plates of damaged equipment as manhole / chamber covers of various tanks and chambers.

Head	Consumption FY22	Consumption FY23	% Saving
Water (Kl)	23104	21858	5.39
Electricity (KWH)	4807997	5182166	-7.78 (Addition of clean room facility HVAC system)
Briquette (Kg)	3966378	3568537	10.03

Vizag

Steps Taken

- **Usage of Waste as supplemental fuel to cement kiln:** 279 Tonn/Annum
 - **Reuse of waste:** 412 Tonn/Annum Coal ash generated and converted to bricks.
- # Reuse of RO reject water back into system which accrued 6000 KL/Annum (Q4)
- **Third Party Energy Audit:**
 - Optimising load of Brine plant based on the plant operation load, running one brine plant in lieu of 2 during normal load.
 - Chilled water set-load is redefined from 5 degree to 8 degree to rationalize the load.
 - Steam traps leakages are attended to prevent loss of steam.
 - **Savings from periodic power trip:**
 - Installation of temperature sensors to cooling towers (Utility process C/T, brine C/T, and SRU C/T)
 - Temperature set point is installed in AHUs at 24-25 degree instead 19-20 degree to reduce energy load.
 - Admin building Central Air conditioning set point 22 degree to reduce energy load.
 - **Reduction in Coal consumption in boiler:**
 - Recovered Steam condensate used in boiler maximum up to 60%.
 - By arresting leakages and recycle coal consumption reduced to 120 Tonn/ annum (Q4)
 - **Illumination Saving:**
 - Placing sensors to lower illumination of lights during absence of human at Security, Electrical Panel room.
 - Replacement of CF lamps by LED in entire plant
 - **Reduction of Effluent:**
 - Recycle of Acetic acid Mother liquor in the Product and reducing effluent load 10 volumes/ Batch
 - **Solvent Emission Control:**
 - Installed vent condensers to bulk solvent storage tanks with chilled water circulation.
 - The vents of the solvent recovery plant are connected to carbon filter and the emissions if any are generated are pass through the carbon filter and then into the atmosphere. Also, online VOC (volatile organic compounds) monitoring system installed here and connected to pollution control board server.

Tarapur

Steps taken

Energy saving

- Higher capacity pumps has been replaced with suitable capacity vacuum pump motor. for plant01 (12.5 HP to 7.5 HP): (saving of 67unit/day)
- 2nos Old FO fire boiler replaced with 3TPH LDO fire boiler (saving of 400unit/day)

Water saving

- **Rain water harvesting:** - Approx. 300kl of water saving done in month of June to Aug.
- Boiler Condensate Recovery Ratio increased from FE plant, Tray dryer steam condensate leading to saving of 5626 KL of fresh water (increased upto 52.50 % when compared with earlier ratio which was 30 %) resulted reduction in LDO consumption.



Impact of energy conservation:

- Electricity consumption has reduced by 4 % in FY23 compared to FY22.
- Water consumption has reduced by 50 % in FY23 compared to FY22.

(ii) Steps taken by the Company for utilizing alternate sources of energy**Mahad**

- Hazardous waste** sent to Co- processing 31.32 T in FY23 compared to last year 107 T in 2021-2022.
- 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 minimize ecological impact. High COD effluent reduced by 5 % (333 KL) & Low COD effluent increased by -5 % (343 KL).

Head	Consumption FY22	Consumption FY23	% Saving
High COD (KL)	7286	6953	5%
Low COD (KL)	7315	7657	-5 % (Water used Cleaning)

- Multi Effect Evaporator (MEE) feed reduction: MEE feed reduced by 333 KL.

Tarapur:

- New 3TPH LOD fire boiler installed which helped to reduce water consumption & increase steam condensate production batch cycle time & drying time.
- FE plant evaporation increased from 5KL/day to 10KL/day leading to saving of water and LDO.

(iii) Capital investment on energy conservation equipment**Vizag:**

- For condensate recovery of Steam
- Acetic acid recycle system for collection of Mother liquor, Treatment and Reuse thus by reduced the effluent

Tarapur:

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

(B) Technology Absorption**(i) Efforts made towards technology absorption & benefits derived:****Vizag:**

- Development of process for APIs from Lab, Kilo Lab and Pilot Plant Scale and at plant level for DMF filing and for commercial production with quality of API meeting as per ICH requirements.

Technology absorption and filed

NPD – 5 nos (CEP-2 ; USVMF-3)

Cost improvement project:

2 – API's

- Enhancing Capacity

2 nos ANFD in replacement of Centrifuges to reduce solvent exposure and improvise ease of operation.

Commissioned PB-2 for Hazardous reactions and M-3 with 3 reactors, FBD and RCVD

Tarapur:

- Buparvaquone end to end scale up done at Tarapur to reduce RMC to 32 K.
- TPH boiler- Fuel changed form FO to LDO to reduce emission leading to no pollution to environment.

(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 FY23 is Nil.

(C) Foreign Exchange Earnings and Outgo:

Particulars	₹ in million	
		FY23
Foreign Currency earned		254.92
Foreign Currency used		138.17

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

Place: Thane
Date: May 23, 2023

Dr. Kamal Sharma
Chairman

Annexure 6

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBS Regulations) forming part of the Directors' Report for the year ended March 31, 2023

A. Details related to Employee Stock Option Scheme

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

i) SeQuent Scientific Employee Stock Option Plan 2010

1.	Date of Shareholders Approval	September 24, 2015	
2.	Total no. of options approved under ESOP	7% of paid up capital	
3.	Vesting requirements	Year	% of option vested
		1	25
		2	25
		3	25
		4	25
4.	Exercise price or pricing formula	Discount to 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	
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	Not Applicable	
9.	Option movement during FY23		
	Number of options outstanding as on April 1, 2022	45,000	
	Number of options granted during year	-	
	Number of options forfeited / lapsed during the year	-	
	Number of options vested during the year	-	
	Number of options exercised during the year	-	
	Number of shares arising as a result of exercise of options	-	
	Loan repaid by the Trust during the year from exercise price received (Money realized by exercise of options during the year)	-	
	Options outstanding as on March 31, 2023	45,000	
	Options exercisable as on March 31, 2023	45,000	
	Variation of terms of options	Nil	
	Weighted average exercise price of options	40.00	
	Weighted average fair values of options	40.99	
	Range of exercise price for options outstanding at the end of the year	₹40/- per option	

ii) SeQuent Scientific Limited Employees Stock Option Plan 2020

1.	Date of Shareholders Approval	January 17, 2021
2.	Total no. of options approved under ESOP	1,85,00,000 options (One Crore Eighty-Five Lakhs)
3.	Vesting requirements	<p>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:</p> <p>Class A Options The Class A Options granted under the Scheme shall vest in 5 (five) equal annual tranches as under:</p> <ul style="list-style-type: none"> First tranche to vest at the end of 12 months from the date of grant in compliance with SEBI Regulations Subsequent 4 (four tranches) to vest on 8th September of every year commencing from 8th September 2022, which is the anniversary of Carlyle taking control of the Company. <p>Class B Options The Class B Options granted under the Scheme shall vest on earlier of;</p> <ul style="list-style-type: none"> 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 <p>Class C Options The Class C Options granted under the Scheme shall vest on earlier of;</p> <ul style="list-style-type: none"> 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. <p>In any case, the vesting will be subject to completion of one year from the date of the grant.</p>
4.	Exercise price or pricing formula	<p>The first lot of Grants was issued at an Exercise Price of ₹86/- per option. NRC has powers to vary the Exercise Price, for future grants.</p> <p>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.</p>
5.	Maximum period of options granted	7 years from the date of grant of options
6.	Source of shares	Primary
7.	Variation in terms of options	Nil
8.	Method used to account for ESOP (Intrinsic or Fair value)	Fair Value

9.	Where the Company opts for expensing of the options using the intrinsic value of the options	N.A.
10.	Option movement during FY23	
	Number of options outstanding as on April 1, 2022	34,07,500
	Number of options granted during year	45,00,000 Class A options 22,00,000 Class B options 9,00,000 Class C options
	Number of options forfeited / lapsed during the year	80,000
	Number of options vested during the year	7,20,000
	Number of options exercised during the year	10,62,500
	Number of shares arising as a result of exercise of options	Nil
	Options outstanding as on March 31, 2023	1,09,27,500
	Options exercisable as on March 31, 2023	10,27,500
	Variation of terms of options	Nil
	Weighted average fair values of options	107.27
	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	Number of options granted during the year	Exercise price
(a) Key Managerial personnel/Senior Managerial personnel				
1.	Mr. Rajaram Narayanan	Managing Director and Chief Executive Officer	71,00,000	₹86/- per option
2.	Mr. P. V. Raghavendra Rao	Chief Financial Officer	5,00,000	₹86/- per option

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

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

C. Details related to Trust:

Particulars	Details	
1	Name of the Trust	Sequent Scientific Employee Stock Option Plan Trust
2	Details of the Trustees	Mr. Prasad Lad and Mrs. Kalpana Mukherjee
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	₹5,53,03,442/-
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	20,000/-

D. Brief details of transactions in shares by the Trust

(a)	Number of shares held as on April 1, 2022	9,62,250
(b)	Number of shares acquired during the year through	
	(i) primary issuance	NIL
	• acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees on exercise of options under Sequent ESOP Scheme 2010	NIL
(d)	Number of shares held as on March 31, 2023	9,62,250

Corporate Governance Report

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

1. Company's philosophy on code of Governance

At the heart of our Company's advancement lies a steadfast commitment to Corporate Governance, grounded in transparency, fairness, and ethical principles. We hold a strong conviction that robust Corporate Governance is indispensable in generating added value for our shareholders and fostering trust among our wide range of stakeholders. Our overarching objective is to foster the growth and empowerment of our organization. To achieve this, we are dedicated to enhancing the quality of our offerings in animal health while upholding our core values.

We are equally mindful of our environmental impact and strive to make positive contributions through our progress. Furthermore, we prioritize our employees' well-being, ensuring they receive the utmost care and support. Our aim is to achieve all-inclusive growth that benefits our communities as a whole. With a robust governance framework in place, we enable the effective execution of our Company's strategy, facilitating high-quality and timely decision-making processes.

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 8 (Eight) Directors out of which 2 (Two) Directors are Executive, 3 (Three) Directors are Non-Executive Independent including one Woman Independent Director and 3 (Three) Directors are Non-Executive Non-Independent. The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations. All Directors are competent and experienced personalities in their respective fields. The Chairman of the Board is Dr. Kamal Sharma, Independent Director of the Company.

During the year, the following changes took place in the Board of Directors of the Company:

- Mr. Manish Gupta (DIN: 06805265) ceased to be the Managing Director & CEO of the Company on April 10, 2022, consequent to his resignation.
- Mr. Rajaram Narayanan (DIN: 02977405) was appointed as Managing Director & CEO of the Company on April 11, 2022
- Mr. Rahul Mukim (DIN: 06996915) ceased to be the Director of the Company on December 06, 2022, consequent to his resignation.

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

A formal letter of appointment as provided in the Act and Listing Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors and the profile of Directors are disclosed on the website of the Company i.e. <http://www.in/pdf/independentdirector/Terms%20&%20Conditions%20of%20Independent%20Directors.pdf>

Board Meetings held during the year:

During the year ended March 31, 2023, 5 (Five) Board Meetings were held. These Meetings were held on May 25, 2022, July 15, 2022, August 08, 2022, November 07, 2022 and February 14, 2023.

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

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

Name of Director	DIN	Category	Number of Directorships held in other public companies	Number of memberships in Board Committees	Chairmanships in Board Committees	Directorships held in other listed companies along with nature of Directorship
Dr. Kamal Sharma	00209430	C & NEID	3	2	-	• Shilpa Medicare Limited- NEID
Mr. Milind Sarwate	00109854	NEID	8	10	5	• Mahindra & Mahindra Financial Services Limited – NEID • Matrimony.com Limited – NEID • Metropolis Healthcare Limited- NEID • Asian Paints Limited- NEID • FSN E-Commerce Ventures Limited- NEID
Dr. (Mrs.) Kausalya Santhanam	06999168	NEID	2	4	1	• Solara Active Pharma Sciences Limited – NEID • Strides Pharma Science Limited – NEID
Mr. Neeraj Bharadwaj	01314963	NENID	5	2	-	• Piramal Pharma Limited-NENID
Mr. Gregory Andrews	08904518	NENID	-	-	-	-
Dr. Fabian Kausche	08976500	NENID	-	-	-	-
Mr. Sharat Narasapur	02808651	ED	2	-	-	-
Mr. Manish Gupta (ceased to be a director w.e.f April 10, 2022)	06805265	ED	2	1	-	-
Mr. Rajaram Narayanan (appointed w.e.f April 11, 2022)	02977405	ED	2	1	-	-
Mr. Rahul Mukim (ceased to be a director on December 6, 2022)	06996915	NENID	-	-	-	-

Abbreviations:

C = Chairman

ED = Executive Director

NENID = Non-Executive Non-Independent Director

NEID = Non-Executive Independent Director

Notes:

- 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
- Only Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Sequent Scientific Limited are considered.
- Due to relaxations granted by MCA and SEBI, all Board meetings in FY23 were held through Video Conferencing.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26(1) of the Listing Regulations. Further, none of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

Inter-se relationship among Directors

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

Separate Meeting of Independent Directors

In terms of provisions of the Act and Regulation 25 of the Listing Regulations, the Independent Directors met on March 13, 2023, without the presence of Non-Independent Directors.

The Independent Directors in their Meeting held on March 13, 2023, inter-alia:

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation programme for Independent Directors

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

The details on familiarisation programme are disclosed on the website of the Company at https://sequent.in/pdf/independent-director/Familiarization_Programme_2022-2023.pdf

Skills/ Expertise/ Competencies of the Board of Directors

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

Part A: relating to Industry knowledge experience

- Pharmaceutical Industry Experience
- Global Regulatory Requirements
- Knowledge about Peer Companies
- Entrepreneurship
- Environment/ Sustainability/ Corporate Responsibility

Part B: relating to Technical Skills

- Strategy & Business Development
- Quality Assurance
- Finance, Accounting & Taxation
- Statutory / Regulatory Compliance
- Human Resources / Industrial Relations
- Risk Management & Mitigation
- Stakeholder Communication/ Investor Relations

Mapping of above skills with the Directors

Skill Set	Rajaram Narayanan	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	✓	✓	✓	✓	✓	✓	X	✓	✓
Environment/ Sustainability/ Corporate Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy & Business Development	✓	✓	✓	✓	✓	✓	✓	✓	✓
Quality Assurance	X	✓	✓	✓	✓	X	X	X	X
Finance, Accounting & Taxation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Statutory/ Regulatory Compliance	✓	✓	✓	✓	✓	✓	X	X	X
Human Resources/ Industrial Relations	✓	✓	✓	✓	X	✓	X	✓	X
Risk Management & Mitigation	✓	✓	✓	✓	✓	✓	✓	✓	X
Stakeholder Communication/ Investor Relations	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Mr. Rahul Mukim ceased to be a director on December 06, 2022

Attendance at Board Meetings and last Annual General Meeting

During, the year ended March 31, 2023, the Board met 5 (Five) times and the attendance of each Director at Board meeting 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
Rajaram Narayanan Managing Director & CEO (appointed w.e.f April 11, 2022)	5	5	Present
Mr. Sharat Narasapur, Joint Managing Director	5	3	Absent
Dr. Kamal Sharma, Chairman & Independent Director	5	5	Present
Mr. Milind Sarwate, Independent Director	5	5	Present
Dr. Kausalya Santhanam, Independent Director	5	5	Present
Mr. Neeraj Bharadwaj, Non-Executive Director	5	4	Absent
Mr. Gregory Andrews, Non-Executive Director	5	5	Present
Dr. Fabian Kausche, Non-Executive Director	5	5	Present
Mr. Rahul Mukim, Non-Executive Director (ceased to be a director on December 6, 2022)	4	4	Present

* Mr. Manish Gupta ceased to be Managing Director & CEO on April 10, 2022



3. Audit Committee

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

Terms of Reference

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

The Audit Committee has the following responsibilities/ powers:

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

Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to;
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Act
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement 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 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.
29. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

Composition of Audit Committee, Meetings held and attendance during the year

As on date, the Audit Committee has 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Non-Executive Non-Independent Director. The Members of the Audit Committee as on March 31, 2023, are:

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

Mr. Neeraj Bharadwaj, Director was inducted into the Audit Committee on December 6, 2022, in place of Mr. Rahul Mukim consequent to his resignation.

During the year ended March 31, 2023, 6 (Six) Audit Committee Meetings were held on May 25, 2022, July 15, 2022, August 8, 2022, November 07, 2022, February 14, 2023 and March 30, 2023. 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 Committee	No. of Meetings attended
Mr. Milind Sarwate	Chairman	6	6
Dr. Kamal Sharma	Member	6	6
Mr. Neeraj Bharadwaj (appointed as a member on December 06, 2022)	Member	2	2
Mr. Rahul Mukim (ceased w.e.f December 06, 2022)	Member	4	4

4. Nomination and Remuneration Committee (NRC)

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 NRC includes the following:

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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;
- 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;
- To recommend to the board, all remuneration, in whatever form, payable to senior management.
- NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, NRC may:

- use the services of an external agencies, if required
- consider candidates from a wide range of backgrounds, having due regard to diversity and
- consider the time commitments of the candidates

Composition of NRC

As on date, the NRC Committee has 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Non-Executive Non-Independent Director. The Members of the Nomination Committee as on March 31, 2023, are:

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

During the year ended March 31, 2023, 3 (Three) NRC Meetings were held on May 24, 2022, July 15, 2022 and November 07, 2022. The Company Secretary of the Company acts as the secretary to this Committee.

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

Name of the Member	Chairperson / Member	No. of Meetings held during the period in which the said Member was on Committee	No. of Meetings attended
Mr. Milind Sarwate	Chairman	3	3
Dr. Kamal Sharma	Member	3	3
Mr. Neeraj Bharadwaj	Member	3	2

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.

Remuneration paid to Directors

(₹ in million)					
Name of the Director	Salary	Perquisites	Sitting Fees	Commission	Total
Rajaram Narayanan	49.17	-	-	-	49.17
Manish Gupta	9.00	-	-	-	9.00
Mr. Sharat Narasapur	19.36	-	-	-	19.36
Dr.(Mrs.) Kausalya Santhanam	-	-	1.00	0.39	1.39
Dr. Kamal Sharma	-	-	1.70	0.39	2.09
Mr. Milind Sarwate	-	-	1.80	0.39	2.19
Mr. Gregory Andrews	-	-	0.5	0.78	1.28
Dr. Fabian Kausche	-	-	0.5	0.78	1.28
Mr. Neeraj Bhardwaj	-	-	-	-	-

As per the policy of the Company, a notice period of three months is applicable to a Managing Directors/ Whole-time Directors of the Company and no severance fee is paid to a Managing Director/Whole-time Director.

During FY23, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Meetings of Board and Committee of the Company and commission on profit. The Company pays ₹1,00,000/- to the Non-Executive Directors for attending a Meeting of Board of Directors and the Committees of the Board and commission upto 2% of the net profits of the Company. Mr. Neeraj Bharadwaj and Mr. Rahul Mukim, being employees of Carlyle, did not draw any sitting fee or commission.

The Managing Director and the Joint Managing Director are eligible for variable pay against the performance criteria as set by the Company. Further, their contract is governed by service period applicable as per the internal policies of the Company.

Stock options

The details of Stock Options held by Mr. Rajaram Narayanan, Managing Director & CEO 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, 2023, are given as under:

Name of the Executive Director	Mr. Rajaram Narayanan, Managing Director & CEO	Mr. Sharat Narasapur, Joint Managing Director
	Esop 2020	Esop 2020
Options granted	71,00,000	5,00,000
Options vested	-	2,00,000
Options exercised	-	1,00,000
Options Cancelled	-	NIL
Options outstanding	-	4,00,000

5. Stakeholders Relationship Committee (SRC)

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

Terms of Reference:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. To review measures taken for effective exercise of voting rights by the shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition of the Committee

As on March 31, 2023, the SRC has 3 (Three) Members consisting of 2 (Two) Non-Executive Independent Directors and 1 (One) Executive Director of the Company. The Members of the Committee as on March 31, 2023, are as under:

1. Dr. Kausalya Santhanam -Chairperson
2. Mr. Milind Sarwate-Member
3. Mr. Rajaram Narayanan -Member

Mr. Rajaram Narayanan was inducted into the SRC on April 11, 2022 in place of Mr. Manish Gupta consequent to his resignation and Dr. Kausalya Santhanam was inducted into the SRC on December 6, 2022 in place of Mr. Rahul Mukim consequent to his resignation.

During the year ended March 31, 2023, 1 (One) Meeting was held on March 13, 2023 and all the Committee Members attended the Meeting.

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

Shareholders Complaint details: No complaints were received from Shareholders of the Company during the year ended March 31, 2023. There were no complaints pending as on March 31, 2023.

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

6. Corporate Social Responsibility Committee (CSR)

As on March 31, 2023, the CSR Committee has 3 (Three) Members consisting of 2 (Two) Executive Directors and 1 (One) Non-Executive Independent Director of the Company. The following are the Members of the Committee as on March 31, 2023:

Mr. Rajaram Narayanan, Managing Director & CEO was inducted into the CSR on December 6, 2022 in place of Mr. Rahul Mukim consequent to his resignation.

1. Dr. Kamal Sharma-Chairman
2. Mr. Rajaram Narayanan -Member
3. Mr. Sharat Narasapur-Member

During the year ended March 31, 2023, 2 (Two) CSR Committee Meetings were held. These Meetings were held on May 24, 2022 and January 24, 2023.

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

Name of the Member	Chairperson / Member	No. of Meetings held during the period in which the said Member was on Committee	No. of Meetings attended
Dr. Kamal Sharma	Chairman	2	2
Mr. Rajaram Narayanan (appointed as a member on December 06, 2022)	Member	1	1
Mr. Sharat Narasapur	Member	2	2
Mr. Rahul Mukim (ceased on December 06, 2022)	Member	1	Nil

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

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company and amendments to the policy as and when required.
2. Regular monitoring and implementation of CSR Policy.
3. Identify Key initiatives pursuant to the CSR Policy.
4. Recommend to the Board the CSR expenditure to be incurred.
5. Identify and recommend ongoing projects to the Board

A Report on CSR Activities carried out by the Company during FY 2023-24 is provided as an Annexure 4 to the Board's Report.

7. Risk Management Committee (RMC)

As on March 31, 2023, the RMC has 4 (Four) Members consisting of 2 (Two) Non-Executive Directors, 1 (One) Executive Director and the Chief Financial Officer (CFO) of the Company. The following are the Members of the Committee as on March 31, 2023:

1. Mr. Neeraj Bharadwaj-Chairman
2. Mr. Milind Sarwate-Member
3. Mr. Rajaram Narayanan -Member
4. Mr. P. V. Raghavendra Rao- Member

Mr. P. V. Raghavendra Rao, CFO was inducted into the RMC on August 8, 2022 in place of Mr. Tushar Mistry.

During the year ended March 31, 2023, 2 (Two) Risk Management Committee Meetings were held on September 16, 2022 and March 13, 2023.

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

Name of the Member	Chairperson / Member	No. of Meetings held during the period in which the said Member was on Committee	No. of Meetings attended
Mr. Neeraj Bharadwaj	Chairman	2	2
Mr. Milind Sarwate	Member	2	2
Mr. Rajaram Narayanan (Appointed as a member w.e.f April 11, 2022)	Member	2	2
Mr. P. V. Raghavendra Rao (Appointed as a member w.e.f August 08, 2022)	Member	2	1

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

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan

- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- (7) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (8) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8. Ethics and Governance Committee

As on date, the Members of the Ethics and Governance Committee are Dr. Kausalya Santhanam, Independent Director, Mr. P.V. Raghavendra Rao, Chief Financial Officer, Mr. Prasad Lad, VP-HR & Admin and Mr. Phillip Trott, AVP-Legal, Secretarial and Compliance.

Terms of Reference:

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

Ethics and Governance Committee Meeting was held on April 14, 2022, September 09, 2022 and March 15, 2023, details of Members and Meetings attended by them during the year are as under:

Name of the Member	Chairperson / Member	No. of Meetings held during the period in which the said Member was on Committee	No. of Meetings attended
Dr. Kausalya Santhanam	Chairperson	3	3
Mr. Prasad Lad	Member	3	2
Mr. Phillip Trott	Member	3	3
Mr. Rahul Mukim (ceased w.e.f December 06, 2022)	Member	2	2
Mr. P. V. Raghavendra Rao (Appointed as member w.e.f December 06, 2022)	Member	1	0

Mr. P. V. Raghavendra Rao, CFO was inducted into the Ethics and Governance Committee on December 06, 2022, in place of Mr. Rahul Mukim consequent to his resignation.

Notes:

1. Due to relaxations granted by MCA and SEBI, all Committee meetings in FY23 were held through Video Conferencing.

9. General Body Meetings:

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

Financial Year	Date and Time	Venue	Special Resolutions
2019-20	Tuesday, August 25, 2020 at 11:00 A.M.	Meeting conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs	• Amendment to Articles of Association of the Company
2020-21	Tuesday, September 21, 2021 at 04:00 P.M.	Meeting conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs	None
2021-22	Tuesday, September 20, 2022 at 04:00 P.M.	Meeting conducted through Video Conference (VC) / Other Audio Visual Means (OAVM), as permitted by the Ministry of Corporate Affairs	• Continuation of Non-Executive Independent Directorship of Dr. Kamal Sharma

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

Details of resolutions passed through Postal Ballot:

During the year under review, 2 (Two) Postal Ballot process took place in which 4 (Four) Special Resolutions were approved by the Members of the Company. Hard Copy of Postal Ballot Notice along with Postal Ballot Forms and Pre-paid envelopes were not sent to the Members in terms of General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 ('MCA Circulars'). The Members approved the resolutions by communicating their Assent and Dissent only through remote e-voting. The Company had appointed M/s. Nilesh Shah & Associates, Company Secretaries, represented by Mr. Nilesh Shah or failing him Ms. Hetal Shah, Practicing Company Secretaries as the Scrutiniser for conducting Postal Ballot process. The Postal Ballot process was carried out in a fair and transparent manner. The Company had followed the procedure relating to Postal Ballot and E-voting pursuant to applicable provisions of Companies Act, 2013 read with Rules thereto and the provisions of the Listing Regulations. The result of Postal Ballot was communicated to the Stock Exchange(s) where the securities of the Company are listed and was posted on the website of the Company at www.sequent.in.

The details of the Postal Ballot process conducted during FY23 is provided herein below:

1. **Date of Postal Ballot Notice:** January 14, 2022

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

Date of Approval by the Members: April 09, 2022

Date of Declaration of Result: April 10, 2022

Sr. No.	Particulars of the resolution	Type of resolution	No. of voted polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1.	Appointment of Mr. Rajaram Narayanan as Managing Director and Chief Executive Officer of the Company	Special	146681748	144405933	98.4485	2275815	1.5515
2.	Grant of ESOPS of more than 1% of the issued capital to Mr. Rajaram Narayanan	Special	146681631	141672671	96.5851	5008960	3.4149

2. **Date of Postal Ballot Notice:** November 10, 2022

Voting Period: November 11, 2022 to December 10, 2022

Date of Approval by the Members: December 10, 2022

Date of Declaration of Result: December 12, 2022

Sr. No.	Particulars of the resolution	Type of resolution	No. of voted polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1.	Create, offer, issue and allot equity shares on Preferential Basis	Special	1560,79,224	152832691	97.9199	3246533	2.0801
2.	Amendment to Sequent Scientific Limited Employee Stock Option Plan 2020	Special	156077226	150939485	96.7082	5137741	3.2918

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

10. Means of Communication:

- 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.
- The results are published generally in Financial Express (English) and Mumbai Lakshadeep (Marathi) newspapers.
- The results and shareholding pattern of the Company are displayed on the website of the Company i.e. www.sequent.in
- 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
- The presentations made to analysts and investors are displayed on the website of the Company i.e. www.sequent.in
- The Company conducts an earnings call to interact with Investors / Analysts every quarter after the financial results are declared. The invite for the earnings call is notified in advance to the Stock Exchanges.

11. Disclosures:

- 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 Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is in the line with the Listing Regulations and the same can be accessed at https://www.sequent.in/pdf/policies/Sequent_Policy%20on%20RPT%20&%20Material%20Subsidiary_2019.pdf

- 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.
- 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.
- The Company had appointed Price Waterhouse Coopers Services LLP, Chartered Accountants as Internal Auditors of the Company for FY23. 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.
- 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

The Whistle Blower policy can be accessed at http://www.sequent.in/pdf/policies/Sequent_Whistle%20Blower%20Policy_2019.pdf.

- During the year ended March 31, 2023, 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.
- 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.
 - The Company has appointed separate persons for the post of Chairman and Managing Director.
 - The Internal Auditor is appointed by the Audit Committee and makes a presentation of their findings to the Audit Committee.
- 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 were pending as on March 31, 2023.
- The Company has not granted any loan or advances to firms/companies in which directors are interested.

12. Details of Shareholding of Non-Executive Directors:

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

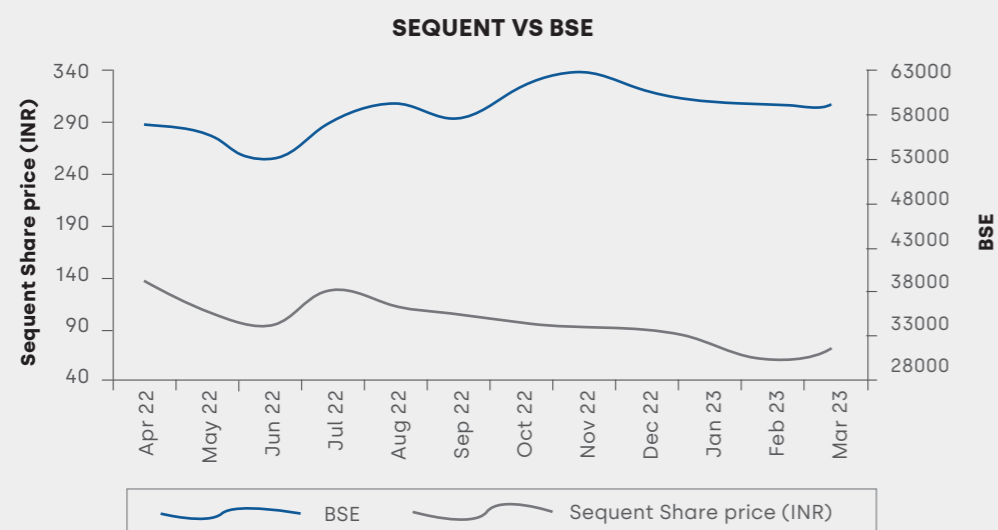
13. General shareholder information

AGM: Date, Time and Venue	August 30, 2023, at 04.30 p.m. (IST) through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.
Financial Year	April 1 to March 31
First Quarter Results	On or before August 14, 2023
Second Quarter Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter Results	On or before May 30, 2024
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 2023-24 to the Stock Exchanges
Registrar & Transfer Agents	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Karvy Selenium, Tower - B, Plot No. 31 & 32, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032
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

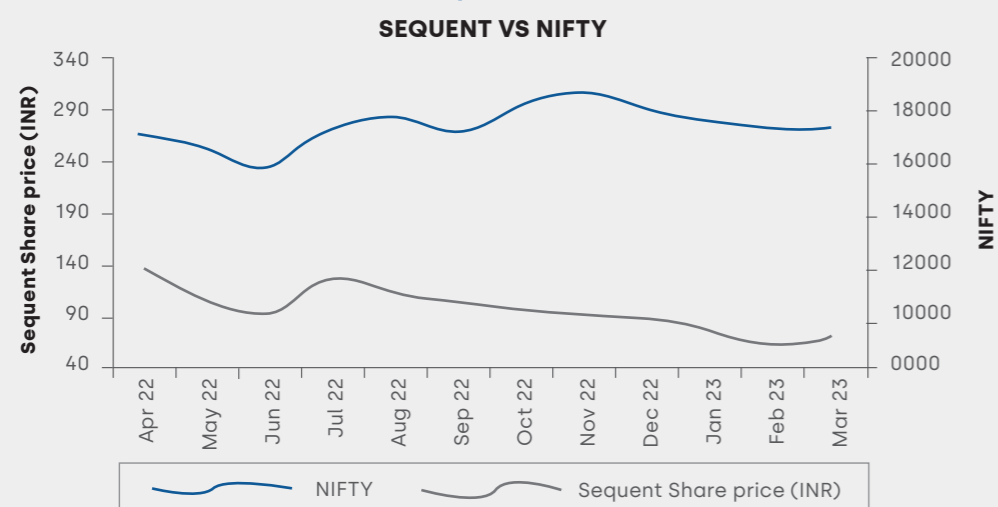
Market Price Data (High, Low during each month in FY23)

Month	(Amt. in ₹)			
	BSE		NSE	
	High	Low	High	Low
April 2022	155.90	131.70	156.00	131.80
May 2022	138.00	101.45	138.00	101.30
June 2022	113.10	81.40	113.20	82.00
July 2022	129.40	91.30	129.35	91.20
August 2022	132.45	103.00	132.50	102.95
September 2022	124.25	100.00	124.15	100.05
October 2022	113.50	96.80	113.35	96.80
November 2022	110.70	88.50	110.75	88.00
December 2022	98.95	82.50	99.00	82.55
January 2023	89.45	75.30	89.40	75.30
February 2023	80.20	62.10	80.30	62.00
March 2023	84.40	61.80	84.40	61.80

Performance in Share comparison to BSE and NSE Indices



Performance in Share comparison to BSE and NSE Indices



Distribution Schedule as on March 31, 2023:

Sl. No.	Category (Amount)	No. of Holders	% To Holders	No of Shares	Amount(₹)	% To Equity
1	1 - 5000	187336	97.63	36344954	72689908.00	14.57
2	5001 - 10000	2526	1.32	9274351	18548702.00	3.72
3	10001 - 20000	1126	0.59	8173639	16347278.00	3.28
4	20001 - 30000	368	0.19	4634439	9268878.00	1.86
5	30001 - 40000	170	0.09	3042031	6084062.00	1.22
6	40001 - 50000	78	0.04	1749972	3499944.00	0.70
7	50001 - 100000	143	0.07	5290373	10580746.00	2.12
8	100001 & Above	128	0.07	180923736	361847472.00	72.53
	TOTAL:	191875	100.00	249433495	498866990.00	100.00

Bifurcation of shares held in physical and demat as on March 31, 2023

Particulars of Equity Shares	Equity Shares of ₹2 each	
	Number	% of Total
NSDL	210903904	84.55
CDSL	38492086	15.43
Sub-Total	249395990	99.98
Physical	37505	0.02
Total	249433495	100.00

Shareholding pattern of Equity Shares as on March 31, 2023

Category	Number of Shareholders	Number of Shares held	% to total paid up Capital
Promoters & Promoter Group Companies	1	13,16,80,103	52.79
Bodies Corporate	978	1,63,99,132	6.57
Banks / Mutual Funds/ Financial Institutions (FIs)	2	6,21,396	0.25
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors [FPIs]	34	14,70,5324	5.90
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	2941	31,28,967	1.25
Resident Individuals	1,85,437	7,24,38,573	29.04
Directors (Excluding promoter directors) & their relatives	0	0	0.00
Alternate Investment Fund	8	36,48,657	1.46
Trusts	5	9,64,603	0.39
Others	2469	58,46,740	2.34
(HUF/IEPF/ESOP Trust/ Clearing Members/QIB)			
Total	1,91,875	24,94,33,495	100.00

Framework for Monitoring Material 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 above mentioned Subsidiaries.

During the year, the Company has 3 material subsidiaries. The name and other details of the material subsidiaries are as under:

- Alivira Animal Health Limited
Date of Incorporation: September 30, 2013
Place of Incorporation: Thane, Maharashtra, India
Name of the Statutory Auditors: M/s. S R BC & CO LLP, Chartered Accountants
Date of appointment of the Statutory Auditors: August 29, 2019
- Alivira Animal Health Limited
Date of Incorporation: September 01, 2014
Place of Incorporation: Dublin, Ireland
Name of the Statutory Auditors: M/s. KNAV
Date of appointment of the Statutory Auditors: June 29, 2020
- Laboratorios Karizoo S.A.
Date of Incorporation: May 09, 1983
Place of Incorporation: Spain
Name of the Statutory Auditors: M/s. Bove Montero Y Asociados S.L.
Date of appointment of the Statutory Auditors: November 22, 2021

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 no outstanding ADRs / GDRs / Warrants or any convertible instruments, as of date

ESOPs:

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

a) SeQuent Scientific Employee Stock Option Plan 2010 and

b) Sequent Scientific Limited Employees Stock Option Plan 2020

The details as required to be disclosed under Section 62 of the Act read with Rule 1 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEBS Regulation) are given in 'Annexure 6' of the Board Report. Both the above scheme are in compliance with applicable regulations and a certificate from the M/s. Nilesh Shah & Associates., Practicing Company Secretaries and Secretarial Auditor of the Company, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be placed at the ensuing AGM for inspection by the Members and confirming that the scheme(s) has been implemented in accordance with the SEBI SBEBS Regulations.

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: ₹142.34 million.

Particulars	₹ in million
For Statutory Audit	142.14
For any other services including reimbursement of expenses	0.20

Credit Rating

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

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

Plant Locations

Alivira Saude, Rua Ângelo Esteves, nº 51, Jd Mirian, Campinas/SP, CEP 13098-416-Brasil	Alivira Saude, Avenida Espanha 1025 e 1035, -Tibery, Uberlândia/MG, CEP 38405-048-Brasil	Karizoo, Polig. Industrial La Borda Mas Pujades, 11-12 08140 Caldes de Montbui (Barcelona) Spain
Provet Veteriner Ürünleri San. ve Tic. A. S., Polatlı Organize Sanayi Bölgesi 210., Cad de no:7 Polatlı/Ankara, Turkey	Topkim Topkapı İlaç Premiks San.ve Tic A.Ş., İstanbul Tuzla Organize Sanayi Bölgesi 2. Cadde no 17 Tepeören /Tuzla İSTANBUL.	Alivira Animal Health Limited Plot No- 104 to 109 & Part of 112 & 113, Ramky Pharma City SEZ JNPC, Parawada Mandal, Visakhapatnam, Andhra Pradesh - 531019, India
Alivira Animal Health Limited Plot Nos. A-68/69, Additional Ambernath, MIDC Indl. Area, Ambernath (East) Dist. Thane, Maharashtra - 421503, India	SeQuent Scientific Limited Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar Dist. Thane, Maharashtra - 401506, India	Sequent Scientific Limited B-32, G-2, G-3, MIDC Industrial Area, Mahad, Raigad, Maharashtra 402305, India

No disqualification Certificate from Company Secretary in Practice

The Company has obtained a certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretaries, as required under Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

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

Compliance Certificate from Practicing Company Secretary

Certificate from the Company's Secretarial Auditors, M/s. Nilesh Shah & Associates, Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

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

CEO & CFO Certification

The Managing Director (MD) and the Chief Financial Officer (CFO) of the Company give an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The MD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

Annual Secretarial Compliance Report

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

Code of Conduct

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

The Code of Conduct is also posted on the website of the Company and can be accessed at www.sequent.in. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for FY23.

A declaration to this effect signed by Mr. Rajaram Narayanan, Managing Director & CEO is reproduced below:

In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that; all the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics for the Members of the Board and the Senior Management, as applicable to them, in respect of FY23.

Note: The information given herein above is as of March 31, 2023, unless otherwise stated.

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

Rajaram Narayanan
Managing Director & CEO

Place: Thane

Date: May 23, 2023

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, 2023** 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. Sharat Narasapur	02808651	08/01/2017
2.	Dr. Kamal Sharma	00209430	25/08/2020
3.	Dr. (Mrs.) Kausalya Santhanam	06999168	28/10/2014
4.	Mr. Milind Sarwate	00109854	25/08/2020
5.	Mr. Neeraj Bharadwaj	01314963	17/08/2020
6.	Mr. Gregory Andrews	08904518	06/11/2020
7.	Mr. Fabian Kausche	08976500	14/12/2020
8.	Mr. Rajaram Narayanan	02977405	11/04/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

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

Date: 23.05.2023

Place: Mumbai

Peer Review No.: 698/2020

UDIN: F004554E000361317

For:- **Nilesh Shah & Associates**

FCS: 4554

C.P.: 2631

Certificate on Corporate Governance

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 compliance of conditions of Corporate Governance by Sequent Scientific Limited ('the Company'), for the financial year ended on 31st March, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

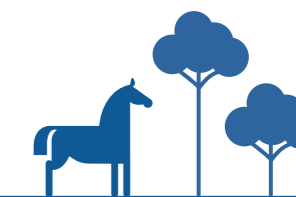
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Date: 23.05.2023
Place: Mumbai
Peer Review No.: 698/2020
UDIN: F004554E000361328

Business Responsibility & Sustainability Report



At Sequent Scientific Ltd., we believe in partnering & empowering our stakeholders and creating a culture of transparency and accountability. We see our responsibility to take the lead in sustainable development not only as a duty to the society but also as an opportunity to give back to the society. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance, we aim to protect and deliver value to all our stakeholders.

We welcome the reporting framework 'Business Responsibility and Sustainability Reporting' ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures and we have, at length added to the previous year's Business Responsibility Report.

On these lines, the directors present the 'Business Responsibility & Sustainability Report' (BRSR) of the Company for FY23, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In an endeavour to go beyond and above the statutory requirements of disclosing and describing the initiatives taken by the Company through this reporting mechanism, the Company feels it is necessary to chart out its journey so far and ahead in alignment with the globally accepted ESG principles like UNSDGs, GRI & TCFD.

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

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity							
1. Corporate Identity Number (CIN) of the Listed Entity	L99999MH1985PLC036685						
2. Name of the Listed Entity	Sequent Scientific Limited						
3. Year of incorporation	1985						
4. Registered office address	301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, India						
5. Corporate address	301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, India						
6. E-mail	investorrelations@sequent.in						
7. Telephone	+91 22 41114777						
8. Website	www.sequent.in						
9. Financial year for which reporting is being done	2022-2023						
10. Name of the Stock Exchange(s) where shares are listed:	<table border="1"> <thead> <tr> <th>Name of the Exchange</th> <th>Stock Code</th> </tr> </thead> <tbody> <tr> <td>National Stock Exchange of India Ltd. (NSE)</td> <td>SEQUENT</td> </tr> <tr> <td>BSE Ltd. (BSE)</td> <td>512529</td> </tr> </tbody> </table>	Name of the Exchange	Stock Code	National Stock Exchange of India Ltd. (NSE)	SEQUENT	BSE Ltd. (BSE)	512529
Name of the Exchange	Stock Code						
National Stock Exchange of India Ltd. (NSE)	SEQUENT						
BSE Ltd. (BSE)	512529						
11. Paid-up Capital	₹498.87 million						
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Krunal Shah, Company Secretary Tel.: +91 22 41114777 Email: investorrelations@sequent.in						
13. Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis for Sequent Scientific Ltd. and Indian Operations of Alivira Animal Health Ltd. & Sequent Research Ltd. – which are wholly owned subsidiaries of Sequent Scientific Limited – wherever applicable.						

II. Products/ services



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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Pharmaceuticals	Manufacturer of high quality Active Pharmaceutical Ingredients (API), Formulations and Research & Testing Activity	100%

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

S. No.	Product/ Service	NIC Code	% of total Turnover contributed
1.	Albendazole	21005	20%
2.	Triclabendazole	21005	15%
3.	Clorsulon	21005	8%
4.	Others	21005	57%

III. Operations



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



17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	69

b. What is the contribution of exports as a percentage of the total turnover of the entity: Total contribution of exports is 66% of the total turnover of the Company.

c. A brief on types of customers

Sequent provides products for both B2B and B2C customers. For API, our customers are global animal health companies including generic companies, those who have their own brands in animal health category. Our Formulations business is a B2C segment.



IV. Employees



18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	821	742	90.4%	79	9.6%
2.	Other than Permanent (E)	0	0	0.0%	0	0.0%
3.	Total employees (D + E)	821	742	90.4%	79	9.6%
WORKERS						
4.	Permanent (F)	480	479	99.8%	1	0.2%
5.	Other than Permanent (G)	89	87	97.8%	2	2.2%
6.	Total workers (F + G)	569	566	99.5%	3	0.5%

b. Differently abled Employees and workers:

There are no differently abled employees/ workers covered by the definition of disabled under 'The Rights of Persons with Disabilities Act, 2016' and rules made thereunder.

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel*	2	0	0

*KMP include CFO & CS

20. Turnover rate for permanent employees and workers

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	36.2%	40.5%	36.6%	35.6%	40.6%	36%	36.6%	43.5%	37.1%
Permanent Workers	40%	0%	40%	46%	0%	46%	51%	0%	51%

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



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

S. No.	Name of the holding/ Subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Alivira Animal Health Limited (India)	Subsidiary	100%	Yes
2.	SeQuent Research Limited (India)	Subsidiary	100%	Yes

The above table refers to Indian Subsidiaries. Rest of the subsidiaries/ associate Companies details are provided at Annexure 1 of the Board's Report, and they are not part of BR initiatives of Sequent.

VI. CSR Details



22.

- i Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- ii Turnover (in ₹) : **2226.85 million (As on March 31, 2023)**
- iii Net worth (in ₹) : **10583.62 million (As on March 31, 2023)**

VII. Transparency and Disclosures Compliances



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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY23			FY22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes Statutory mechanism specified under Companies Act & SEBI is followed & investors@sequent.in is the email id to raise grievances	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes Statutory mechanism specified under Companies Act & SEBI is followed & investors@sequent.in is the email id to raise grievances	Nil	Nil	NA	Nil	Nil	NA
Employees and Workers	Yes (Available on Intranet)	Nil	Nil	NA	Nil	Nil	NA
Customers	Complaint grievance is received from field force	2	0	NA	1	0	NA
Value Chain Partners	Our Supply Chain team is the designated forum for all value chain partners to redress their grievances	Nil	Nil	NA	Nil	Nil	NA

24. Overview of the entity's material responsible business conduct issues pertaining to environmental and social matters that present a risk or an opportunity to the business:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk opportunity (Indicate positive or negative implications)
1	Affordability & Pricing	Risk	Animal Health medicines are used substantially for food producing animals. Economic cycles and variations in agricultural prices impact the affordability of medicines.	Constant R&D and innovations in techniques, processes & input material management helps Sequent mitigate this risk & effective mitigation leads to increased sustainability of the market	Negative & Positive
2	High Value -Limited Number of customers	Risk	Considering the B2B nature of transactions and limited number of high value customers, loss of one or more of these significant customers or a reduction in the amount of business Sequent obtains from them could have an adverse effect on our business, financial condition and results of operations.	Sequent endeavors to constantly innovate and expand customer base to reduce concentration of business	Negative
3	Employee Recruitment, Development & Retention	Risk	Animal Health and pharmaceuticals companies face intense competition for employees. The industry relies on highly skilled employees to develop new products, conduct clinical trials, manage government regulations, and commercialize new products.	Sequent strives to retain employees considering a constrained talent pool through progressive employee friendly practices which in turn can give us an edge in terms of subject matter expertise	Negative & Positive
4	Supply Chain Management	Risk	For Animal Health & Pharmaceuticals industry, supply chain quality is essential to protecting consumer health and corporate value. Biotechnology and pharmaceuticals firms that fail to ensure quality throughout their supply chains are susceptible to lost revenue, supply disruptions, and reputational damage.	Sequent focuses on betterment of its supply chain programme & policies and is focused on sustainable ways to channelize its supply chain thereby protecting shareholder value. With adequate policies & processes in place, Sequent targets to ensure business continuity in Supply chain management	Negative & Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk opportunity (Indicate positive or negative implications)
5	Environment Impact Management & GHG Emissions	Risk	The nature of activities including usage of materials & adoption of processes which are more likely to cause GHG emissions is a major contributor to adverse environmental impact by Sequent.	The efforts taken by Sequent to minimize the impact of its activities on the environment and reduction of GHG emissions are described in Principle 6 – Essential Indicator 7.	Negative
6	Business Ethics	Risk	Animal Health and pharmaceuticals firms are subject to various international, national, and state laws pertaining to health care fraud and abuse. For example, in the U.S., anti-kickback laws and the Foreign Corrupt Practices Act generally prohibit companies from making payments for the purpose of obtaining or retaining business.	Sequent follows the highest standard of ethics & governance through well documented policies and training. Sequent endeavors to ensure optimum compliance through effective corporate governance practices reducing regulatory risks	Negative & Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The policies are approved by the functional heads and few of them have been adopted by the Board								
c. Web Link of the Policies, if available									

Sr No	Policies of Sequent	Weblink	Principle covered
1	Sequent Familiarization Programmes for Independent Director	https://www.sequent.in/pdf/independent-director/Familiarization_Programme_2021-2022.pdf	P1
2	Code of Conduct for Board & Senior Management	https://www.sequent.in/pdf/code-of-conduct/Code%20of%20Conduct%20&%20Ethics_Board%20of%20Directors.pdf	P1
3	Sequent Whistle Blower Policy	https://www.sequent.in/pdf/policies/Whistle%20Blower%20Policy.pdf	P1
4	Sequent Policy on Preservation and Archival of Documents	https://www.sequent.in/pdf/policies/SSL_Policy%20for%20preservation%20of%20documents.pdf	P1
5	Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives	https://www.sequent.in/pdf/policies/Sequent_Code%20of%20Conduct%20for%20Insider%20Trading.pdf	P1

Sr No	Policies of Sequent	Weblink	Principle covered
6	Code Of Conduct for Fair Disclosure of Unpublished Price Sensitive Information	https://www.sequent.in/pdf/policies/Code%20OF%20CONDUCT%20FOR%20FAIR%20DISCLOSURE.pdf	P1
7	Ethics Policy	Internal	P1
8	Risk Management Policy	https://www.sequent.in/polices-financials-subsiadiaries.aspx	P1, P2
9	Sequent Supplier Code of Conduct	https://www.sequent.in/pdf/code-of-conduct/Sequent-Supplier_Code_of_Conduct.pdf	P1, P2
10	IT Policy	Internal	P1, P2, P7
11	Sequent Policy on Determination of Materiality for Disclosure of Events or Information	https://www.sequent.in/pdf/policies/Policy%20on%20Determination%20of%20Materiality%20for%20Disclosure%20of%20Events%20or%20Information.pdf	P1, P4
12	Gift Policy (Part of Anti-Corruption Compliance Policy)	Internal	P1, P4
13	Policy on Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries	https://www.sequent.in/pdf/policies/Sequent_Policy%20on%20Determination%20of%20Material%20Subsidiaries_2019.pdf	P1, P4, P7
14	Code on Prevention of Insider Trading	Internal	P1, P4, P7
15	Policy on prevention of Harassment & Discrimination	https://www.sequent.in/pdf/policies/ANTI-DISCRIMINATION%20POLICY.pdf	P1, P5, P8
16	Anti-Corruption Compliance Policy	Internal	P1, P7
17	Board Diversity Policy	https://www.sequent.in/pdf/policies/SeQuent's%20Board%20Diversity%20Policy.pdf	P1, P8
18	Sustainable Procurement Policy	Internal	P2, P3, P9
19	Environment, Health & Safety Policy	https://www.sequent.in/pdf/policies/EHS%20Policy.pdf	P2, P6
20	Human Rights Policy	Internal	P3
21	Sequent's Policy on Director's Appointment and Remuneration	https://www.sequent.in/pdf/policies/Sequent%E2%80%99s%20Policy%20on%20Director%E2%80%99s%20Appointment%20and%20Remuneration.pdf	P3, P4
22	Sequent Policy on Dividend Distribution	https://www.sequent.in/pdf/policies/Sequent_Dividend_Distribution_Policy.pdf	P3, P4
23	Flexible Working Hours & Paternity Leave Policy	Internal	P3, P4
24	Employee Insurance Policy	Internal	P3, P5
25	Sequent Corporate Social Responsibility (CSR) Policy	https://www.sequent.in/pdf/policies/CSR%20Policy.pdf	P4, P8
26	Prevention of Sexual Harassment Policy	https://www.sequent.in/pdf/policies/POLICY%20OF%20PREVENTION%20OF%20SEXUAL%20HARASSMENT%20OF%20WOMEN%20(POSH).pdf	P5
27	Employee Grievance Policy	Internal	P5
28	Policy on Equal Opportunity (Part of Anti-Discrimination Policy)	Internal	P8

Apart from the policies marked as 'Internal', all the policies are available at www.sequent.in/polices-financials-subsiadiaries.aspx



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	No	No	No	No	No	No	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>ISO 45001: 2018 - This specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance. The Company obtained the certificate in 2022.</p> <p>ISO 14001: 2015 - This specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. The Company obtained the certificate in 2022.</p> <p>Mahad unit achieved silver medal in EcoVadis sustainable rating FY22.</p>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Sequent has already started its ESG journey and it maintains and implements a well-defined Environmental, Health and Safety policy which covers all the subsidiaries, key suppliers, and contractors, and is communicated to all the stakeholders. The Company is in process of evaluating status of its alignment with the Global Initiatives and goals towards sustainable business practices, decarbonization and GHG emission reduction and shall endeavor to consider the same in coming years.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is in process of evaluating status of its alignment with the Global Initiatives and goals towards sustainable business practices, decarbonization and GHG emission reduction and shall endeavor to consider the same in coming years.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>We, at Sequent, are committed towards bettering our efforts at Environment, Social and Governance practices that we follow in our thoughts and actions. We understand the significance of responsible manufacturing practices in pharmaceutical sector and strive to negate impact of our operations on ecological footprints through efficient resource utilization, waste management, GHG reduction and reclamation efforts. We strive to get aligned with target to achieve net-zero emission in coming years. Through risk identification and formulating mitigation measures, we already have started our journey to be a more responsible and sustainable organization for a better future of the planet.</p> <p>Further, our operations are conducted with utmost regard for the welfare and safety of our employees, as well as the communities we operate in. We promote diversity, inclusivity, and ethical practices, fostering a positive and transparent work culture. With a robust governance framework, we ensure accountability, integrity, and sound decision-making. Through our integrated approach towards technological development and advancement, we strive to deliver a broad range of sustainable outcomes across the three pillars of ESG.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sharat Narasapur, Joint Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board of Directors take all the sustainability related decisions.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee and Audit Committee, as applicable. The periodicity of these reviews is annual, once in every two to three years or whenever an update is required due to change in applicable laws.									Periodically								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company monitors and completes the compliances on timely basis.									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Operationalization and effectiveness of policies have been evaluated by Dhir & Dhir Associates, a Law Firm. Evaluation was conducted on effectiveness of the working of policies.																	

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

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

Segment	Total Number of Training and awareness Programmes held	Topics/Principles Covered Under the Training and its Impact	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors	1	Awareness on BRSR and its principles	100%
Key Managerial Personnel	1	Awareness on BRSR and its principles	100%

Segment	Total Number of Training and awareness Programmes held	Topics/Principles Covered Under the Training and its Impact	% of Persons in Respective Category Covered by the Awareness Programmes
Employees other than BoD and KMPs	1	Awareness on BRSR and its principles, Code of Ethics, Company Philosophy Policy on Confidentiality of Company Information, Data Integrity, Whistle Blower Policy, Employee Grievance Policy, Sequent Code of Conduct for Prohibition of Insider Trading, Anti-Discrimination Policy, Policy of Prevention of Sexual Harassment, Economic Sanction Policy, Anti-money Laundering & counter terrorism financing compliance Policy, Anti-corruption compliance Policy, Prohibition of Child Labour, Cyber Crime, PIT Regulations	100%
Workers	1	Code of Ethics, Company Philosophy, Policy on Confidentiality of Company Information, Data Integrity, Whistle Blower Policy, Employee Grievance Policy, Sequent Code of Conduct for Prohibition of Insider Trading, Anti-Discrimination Policy, Policy of Prevention of Sexual Harassment Economic Sanction Policy, Anti-money Laundering & counter terrorism financing compliance Policy, Anti-corruption compliance Policy, Prohibition of Child Labour	100%

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

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding Fee	NA	NA	NA	NA	NA

	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

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

Case Details	Name of the regulatory/ enforcement agencies/
--------------	---

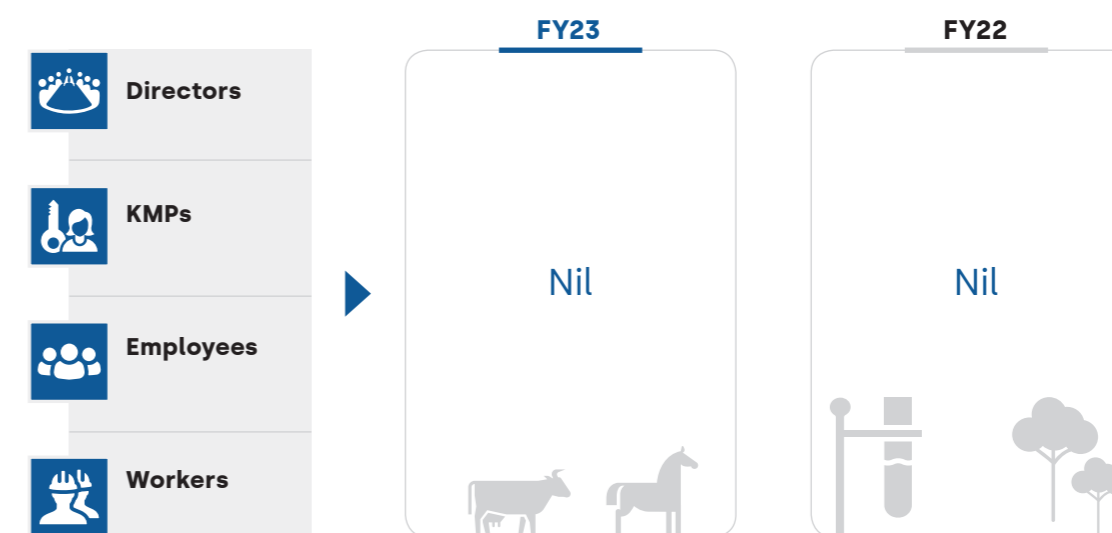
Nil

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

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

Web link to access the policy: <https://sequent.in/polices-financials-subidiaries.aspx> (available on the intranet)

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



There were no cases of any disciplinary action taken by any law enforcement agency against Directors/ KMPs/ employees/ workers.

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

	FY23		FY22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

The Company has a robust mechanism to curb potential conflicts of interest. It obtains the declarations from the Board and KMP on a yearly basis and ensures to monitor all the transactions in which they are / might be interested.

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

No penalties or strictures have been imposed on the Company by the any regulatory authority.

Leadership Indicators

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

Total number of awareness programmes held	Topic/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes)
3	Code of Conduct, Sustainable procurement, Transportation Safety.	Training was imparted to 5 key suppliers. They contribute to more than 50% of business of Sequent and Alivira

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

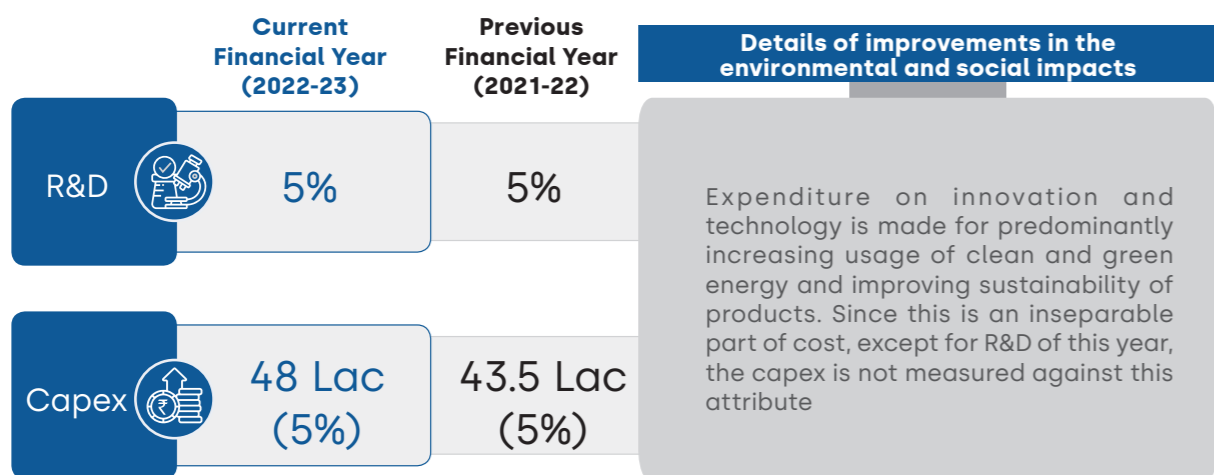
Yes, as per the companies Code of Conduct & Ethics policies, if a director who has an actual or potential conflict of interest, including any of the situations described above, must disclose to the Board:

- the existence and nature of the actual or potential conflict of interest and
- all facts known to him/her regarding the transaction that may be material to a judgement about whether to proceed with the transaction. The director may proceed with the transaction only after receiving approval from the Board.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

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



2. a. Does the entity have procedures in place for sustainable sourcing?

Yes, the Company procures API's, Intermediates, Excipients, Raw materials and packing materials which are used in the manufacturing of Intermediates, API and Formulations in a sustainable manner which is enviro-social friendly. This is supported by the sustainable procurement policy that we have adopted and is available internally to all the stakeholders as specified in Section B of this report.

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

Since Sequent tries to procure all the ingredients sustainably, exact computation of percentage is not being done.

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

The Company has a robust process available for product end life, hazardous waste, E-waste & plastic waste management. There is an established procedure for the products reclamation and their safe disposal. The waste generated from the manufacturing process is stored and disposed to authorized recyclers / TSDF (Transport, storage and disposal facility) and disposed through manifest and TREM card with approved consent. Plastic waste is detoxified and disposed to authorized local scrap vendors. E-waste is segregated, stored, labelled and disposed through manifest to authorized recyclers.

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

No.

Leadership Indicators

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

Sequent carries out the Life Cycle Assessment for its products as detailed below:

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
21005	Albendazole	20%	Albendazole end to end life cycle assessment completed internally	No	No

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

Name of Product/ Service	Description of the risk/ concern	Action Taken
Albendazole	Generation of hazardous waste may affect employee health	Segregation, dedicated storage & safe disposal to authorized agency
	Air pollution released in environment might affect to nearby community	Wet scrubber provided to scrub vapours & gases generated from process, dust collectors provided to control dust generated from process
	Polluted water released in environment might be harmful to community & flora fauna	Full fledge effluent treatment facility available as primary, secondary & tertiary treatment for low COD & MEE, ATFD for high COD. Treated effluent approx. 70% reused at process cooling tower
	Land contamination	Containment dyke, spill control kit available, training is provided

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

Indicate input material	Recycled or re-used input material to total material	
	FY23 Current Financial Year	FY22 Previous Financial Year
We are into pharmaceutical industry, strictly regulated by provisions regulating our manufacturing processes & usage of inputs material for manufacture of APIs & formulations, which does not allow us to use any reused/ recycled inputs material.		

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

	FY23			FY22		
	Re- Used	Recycled	Safely Disposed	Re- Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous Waste						
Other waste						

At the end of life, there are no reclaimed materials.



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

Indicate product category	Reclaimed products and their packaging materials (as percentage of products sold) for each product category.
Since Sequent does not fall under EPR, there are no packaging material / products reclaimed	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

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

	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	742	644	86.8%	742	100%	0	0%	590	79.5%	0	0%
Female	79	49	62.0%	79	100%	58	73.4%	0	0%	0	0%
Total	821	693	84.4%	821	100%	58	7.1%	590	71.9%	0	0%
Other than Permanent Employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

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

	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	479	267	55.7%	479	100%	0	0%	387	80.8%	0	0%
Female	1	0	0%	1	100%	1	100%	0	0%	0	0%
Total	480	267	55.6%	480	100%	1	0.2%	387	80.6%	0	0%
Other than Permanent Workers											
Male	87	0	0%	0	0%	0	0%	0	0%	0	0%
Female	2	0	0%	0	0%	0	0%	0	0%	0	0%
Total	89	0	0%	0	0%	0	0%	0	0%	0	0%

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

Benefits	FY23			FY22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	50%	29%	Yes	49%	32%	Yes

3. Accessibility of workplaces

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

Since the Company does not have any disabled employee, it had not provided for any special/ specific provisions so far.

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

Since the Company does not have any disabled employee, we have not formulated the Policy under Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave. -100%

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	NA

Sequent has an Employee grievance policy in place setting out a detailed process starting from an informal discussion with the reporting manager to escalation at Managing Director level. For handling Shareholder's grievances – mechanism set by SEBI is in place. Grievances by other stakeholders are handled at respective levels and by respective functions concerned with the grievance.



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

Category	FY23			FY22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	113	0	0%	114	0	0%
Male	113	0	0%	114	0	0%
Female	0	0	0%	0	0	0%
Total Permanent Worker	240	171	71.3%	251	56	22.3%
Male	240	171	71.3%	251	56	22.3%
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

	Total (A)	FY23				Total (D)	FY22			
		On Health and Safety measures		On Skill upgradation			On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	742	742	100%	629	84.8%	749	749	100%	602	80.4%
Female	79	79	100%	72	91.1%	64	64	100%	53	82.8%
Total	821	821	100%	701	85.4%	813	813	100%	655	80.6%
Workers										
Male	479	479	100%	446	93.1%	516	516	100%	451	87.4%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	480	480	100%	447	93.1%	517	517	100%	452	87.4%

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

Category	FY23			FY22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	742	596	80.3%	749	605	80.8%
Female	79	54	68.4%	64	54	84.4%
Total	821	650	79.2%	813	659	81.1%
Workers						
Male	479	263	54.9%	516	286	55.4%
Female	1	1	100%	1	1	100%
Total	480	264	55%	517	287	55.5%

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?:
Yes. ISO 45001 (Health & safety Management System) and ISO 14001 (Environment Management System) are implemented at Mahad plant.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?:
Yes. Processes like HIRA (Hazard Identification & Risk Assessment) and HAZOP (Hazard & Operability Study), Monitoring and tracking of compliance of Near Miss and Unsafe conditions are being implemented.

- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N):
Yes. Mechanisms and SOPs for Reporting of Unsafe Condition/ Act & Near Miss are available for reporting of work-related hazards & plan for prevention are in place. Safety Committee of the Company monitors the same.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No): Yes

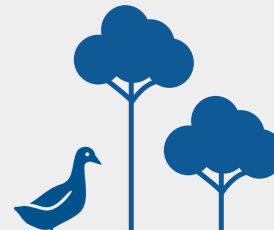
11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.47	0.29
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	4	2

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

Following measures are taken to maintain safe and healthy workplace

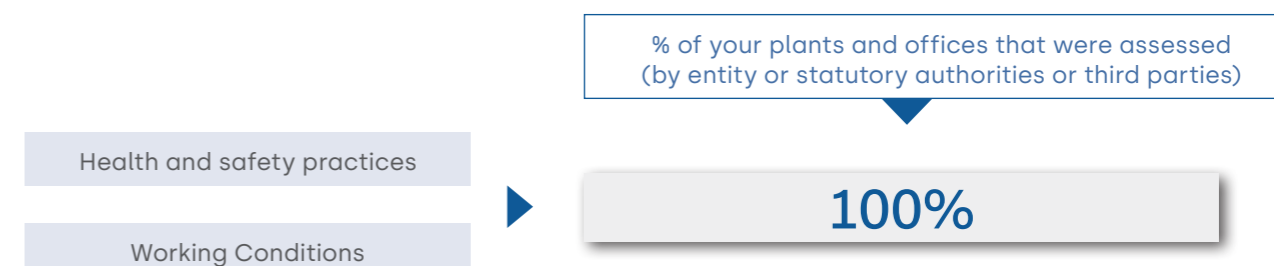
- Near miss reporting to minimise incidents
- Trainings provided to employees
- PPE issued and used by plant workforce
- H&S KPI to reduce incidents
- SCM meetings are conducted with staff and workers



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

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:



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

Post the assessments on health & safety aspects following corrective/ preventive actions are taken :

- Trainings imparted
- SOP for incident investigation and CAPA
- Whywhy analysis done
- Root cause, CAPA and actions monitoring
- Tracking in ORM (Operational Review Meeting)
- CAPA shared with employees and training to avoid re occurrence



Leadership Indicators

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

Yes. The Company provides Group Term Life Insurance policy based on employees Level/Grade, which provides coverage of minimum ₹5 lakhs and maximum ₹20 lakhs. (Employee level/ Grade wise coverage is defined in policy) For workers coverage is ₹5 Lakh.

The Company also provides Group personal accident policy which provides coverage of 4 times of annual basic salary in case of event of death.

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

At present there is no mechanism of ensuring statutory dues are being deducted & deposited by value chain partners. However, Sequent looks forward to developing a mechanism in the future for ensuring this.

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

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	0	0	0	0
Workers	0	0	0	0

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

No. As per the Human Resources policy, there is no transition assistance provided.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	25% assessment done of key suppliers, which contribute to 50% of the business of Sequent and Alivira
Working Conditions	25% assessment done of key suppliers, which contribute to more than 50% of the business of Sequent and Alivira

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

Training provided to value chain partners & regular follow up is taken to ensure compliance.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

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

Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analyzing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritized our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organization strategy.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	All the above	Quarterly	Company Financials
Employees	No	Meetings, Notice boards, Email, Internal Employee Portal, Website	Frequently, need based	Health information, Knowledge Sharing, Benefits Information Sharing, Company Information, Financial Planning, Rewards & Recognition, Learning & Development, Employee wellbeing, health awareness (both psychological and physical)
Value Chain Partners	No	Email, phone calls, online meetings, physical meetings.	Quarterly	For Quarterly rate settlements, development of product or issues in supplies.
Community	Yes	Newspaper, Website, Pamphlets, Advertisements	Need based	For business related updates
Regulatory Bodies	No	Website, Newspaper, Email	Periodically	Fair and ethical business practices and Transparency in disclosures
Customers	No	Website, Newspaper, Email, SMS, Pamphlets	Regularly	Product & business-related updates

Leadership Indicators

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

Sequent has regular discussion with customers and the feedback is shared at business reviews attended by the Board Members.

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

Sequent has received advice from customers and consultants during its regular interactions.
Equipment change at the factories has been done.

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

Sequent engages with marginalized stakeholders through its CSR initiatives and their concerns are taken care of. The Company is committed to strengthen this mechanism in the coming years.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY23			FY22		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	821	821	100%	813	813	100%
Other than permanent	0	0		0	0	
Total Employees	821	821	100%	813	813	100%
Workers						
Permanent	480	480	100%	517	517	100%
Other than permanent	0	0		0	0	
Total Workers	480	480	100%	517	517	100%

We do not have a specific Human right policy, however, we have Anti-Discrimination Policy which also covers Equal Employment Opportunity and Harassment issues. Apart from this, we have POSH policy and Prohibition of Child Labour policy.

As part of the refresher training on company policies, it is mandatory for every employee to review these policies and to abide by them. We provide this policy on ZingHR portal (Employee attendance portal). Employees get access to this special window.

Employee has to login to the portal to get access to the Refresher Training programme page then read the policies and acknowledge his understanding by clicking on the Accept button. For this year this window was available for employees from 15th March 2023 to 31st March 2023.

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

	Total (A)	FY23				Total (D)	FY22			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	742	6	0.8%	736	99.2%	749	7	0.9%	742	99.1%
Female	79	5	6.3%	74	93.7%	64	1	1.6%	63	98.4%
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent										
Male	479	49	10.2%	430	89.8%	516	79	15.3%	437	84.7%
Female	1	0	0	1	100%	1	0	0	1	100%
Other than Permanent										
Male	87	87	100%	0	0	183	183	100%	0	0
Female	2	2	100%	0	0	4	4	100%	0	0

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

	Number	Male		Female	
		Median remuneration/Salary/ Wages of respective category	Number	Median remuneration/Salary/ Wages of respective category	Number
Board of Directors (BoD)*	3	₹1,41,15,424	0	0	0
Key Managerial Personnel	3	₹38,27,641	0	0	0
Employees other than BoD and KMP	1019	₹3,23,020	110	₹2,94,578	
Workers	642	₹1,72,386	0	0	

* It includes Executive Directors (including ex Managing Director upto April 10, 2022)

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

Yes. Human Resources as a department is responsible for addressing Human right issues in the organisation.

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

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

The Company has formulated various policies pertaining to human rights issues which are available on their website (<https://sequent.in/polices-financials-subsidiaries.aspx>)

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human Rights related issues	0	0	NA	0	0	NA

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

The Whistle blower mechanism available to the employees & workers protects the complainant and ensures that his/ her identity is not disclosed.

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

Yes. It is a part of business agreements.

9. Assessments for the year:

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

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Any significant risk/ observations found out of the aforementioned assessment and all the routine concerns are taken care of with the help of set standards and SOPs.

Leadership Indicators

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

Not Applicable

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

Not Applicable

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

Since the Company does not have any disabled employee, it had not provided for any special/ specific provisions so far for employees or visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	25% assessment done of key suppliers which contribute to 50% of the business of Sequent and Alivira
Discrimination at workplace	25% assessment done of key suppliers which contribute to 50% of the business of Sequent and Alivira
Child Labour	25% assessment done of key suppliers which contribute to 50% of the business of Sequent and Alivira
Forced Labour / Involuntary Labour	25% assessment done of key suppliers which contribute to 50% of the business of Sequent and Alivira
Wages	Not assessed

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

Any significant risk/ observations found out of the aforementioned assessment and all the routine concerns are taken care of with the help of set standards and SOPs.

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

Essential Indicators

1. Details of total energy consumption (in Tera Joules) and energy intensity, in the following format:

Parameter	FY23	FY22
Total electricity consumption (A)	66551.75	65339.97
Total fuel consumption (B)	158146.33	155441.10
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	224698.08	220781.07
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00010/turnover in ₹	1.56270/turnover in ₹

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

No independent assessment is carried out by an external agency.

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

The Company does not have any of its sites/plants listed as a Designated Consumer.

3. Provide details of the following disclosures related to water, in the following format: (units to mentioned)

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	1,09,804	1,15,137
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,09,804	1,15,137
Total volume of water consumption (in kilolitres)	1,09,804	1,15,137
Water intensity per rupee of turnover (Water consumed / turnover)	4.9309/turnover in ₹	8.14947/turnover in ₹

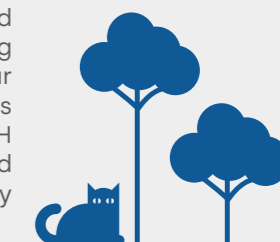
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment is carried out by an external agency.

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

The Company has implemented ZLD in two of its plants: Tarapur and Mahad.

At Mahad Plant, as per the consent to operate, the Company has Multi effect evaporator (MEE) plant of 100 CMD, Agitated thin film dryer (ATFD) plant of 25 CMD, Reverse osmosis (RO) plant of 120 CMD, ETP plant of 120 CMD having Primary, Secondary & Tertiary treatment facility for treating 87.83 CMD industrial effluent and 13 CMD domestic effluent. The treated effluent is recycled in process cooling towers (maximum 69 CMD) and remaining treated effluent sent to CETP for safe disposal (maximum 18.5 CMD). At the Tarapur plant, the Company has a partial ZLD Facility. It has separate treatment systems for HCOD and LCOD. In HCOD, the collected the effluent is brought to a neutral pH in reactor and then evaporated in the Reboiler. In LCOD, Primary, Secondary and Tertiary treatment (ETP & RO plant) is performed. As per the consent, the Company is allowed to treat the 37.8 CMD of Industrial and 12 CMD of domestic effluent.



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

Parameter	Unit	FY23	FY22
NOx	-	-	-
SOx	Kg/Annum	68823.86	64698.5
Particulate matter (PM)	- mg/nm ³	60.2	88.4
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No independent assessment is carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	9464.30	7125.21
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	15137.92	16552.14
Total Scope 1 and Scope 2 emissions per rupee of turnover		1.1048/ turnover in ₹	1.6759/ turnover in ₹
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

No independent assessment is carried out by an external agency.

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

In its endeavour to protect the environment and reduce its carbon footprint, the Company takes several initiatives to achieve the same. The consumption of non-renewable polluting fuel is being continuously reduced. Furnace oil (a polluting fuel) was replaced by a Clean fuel (PNG) resulting in reduction in the GHG emissions of the Company in some of its plants. There was a considerable decrease in the total particulate emission as a result of this initiative (60 mg/Nm³ to 43 mg/Nm³). Many other projects are under consideration to achieve the ultimate goal of reduction in energy consumption, waste generation and GHG emissions.

Further to the above, following initiatives help in GHG emission reductions further –

- Installation of new glass line reactors
- Installation of light sensors, switch to usage of LEDs
- Reduction in carbon footprint through substituting electricity purchase with solar energy & bio fuels for increased energy requirements
- Strengthening of Solvent emission controls
- Diversion of Hazardous waste for processing for reuse as alternate fuel
- Recycling of treated water and reuse for domestic purposes
- Installation of vent condensers installed to bulk solvents storage to control solvent emissions
- Energy reduction by Installation of VFD's(variable frequency device) such as centrifuges, vacuum pumps, Effluent treatment plant by enabling electric motors to operate at low speed



8. Provide details related to waste management by the entity, in the following format:

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	45.19	44.72
E-waste (B)	2.08	0.65
Bio-medical waste (C)	0.70	0.66
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please Specify, if any. (G)	1047.93	1230.13
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	882.34	421.93
Total (A+B + C + D + E + F + G + H)	1978.24	1698.10

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY23	FY22
(i) Recycled	839.10	371.75
(ii) Re-used	278.9	315.60
(iii) Other recovery operations	31.32	107.36
Total	1149.32	794.71

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY23	FY22
(i) Incineration	145.07	193.22
(ii) Landfilling	591.26	611.11
(iii) Other disposal operations	92.58	98.85
Total	828.91	903.18

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

No independent assessment is carried out by an external agency.

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

The Company disposes all its waste as per norms/ regulations and follows the waste management principle of 5.

The hazardous waste generated is packed in suitable containers and sent to designated hazardous waste storage area. The hazardous waste storage area is in compliance with all applicable rules/ laws. The hazardous waste is segregated as per the compatibility in dedicated areas. The waste is labelled and sent to authorised party through an authorised transporter.

The incinerable waste (Spent carbon, biomedical waste, Distillation residue, Process dust) with high Calorific Value is sent to cement manufacturing industry as an alternative to fuel. The plastic waste/ metal waste and other solid non-hazardous waste apart from boiler ash is subjected to in-house detoxification and de-labelling process to ensure all contamination is removed from it before sending it outside to authorised party.

The disposal of non-hazardous waste such as plastic waste and boiler ash is done by sending it to authorised recycler and brick manufacturer respectively. The biomedical waste generated at OHC inside the factory premises are disposed to authorised party.

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

S. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable as none of our operations are in ecologically sensitive areas			

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

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

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

Serial Number	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
The Company is in compliance with all applicable laws/regulations.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Tera Joule) from renewable and non-renewable sources, in the following format:

Parameter	FY23	FY22
From renewable sources		
Total electricity consumption (A)	6796.80	0
Total fuel consumption (B)	459694.48	66349.57
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	466491.28	66349.57
From non-renewable sources		
Total electricity consumption (D)	59754.95	65339.97
Total fuel consumption (E)	98451.84	89091.52
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	158206.79	154431.49

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

No any independent assessment external assessment is carried out.

2. Provide the following details related to water discharged:

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties (CETP/Ramky)	0	0
- No treatment :- Effluent collection, neutralization inhouse & sending to Ramky for Treatment & safe disposal	28253	27465
- With treatment – please specify level of treatment :- Full fledge Effluent Treatment system available with Primary, Secondary & tertiary treatment system & treated effluent sent to CETP (Common Effluent Treatment Plant)	8706.45	8831.44
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	36959.45	36296.44

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

No any independent assessment external assessment is carried out.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	Not Applicable	Not Applicable
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

No independent assessment is carried out by an external agency.

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

Parameter	Unit	FY23	FY22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not assessed	Not assessed
Total Scope 3 emissions per rupee of turnover			

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

No independent assessment is carried out by an external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

Our plant/ project falls under B2 category; hence there is no need to carry out EIA study for the project as there is no significant impact is envisaged through this project on biodiversity around the project location so no such prevention or remediation activities planned for the biodiversity around the project location. The project falls in the area marked for industrial development as per the applicable laws.

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Reuse the boiler condensate water in boiler after treatment.	The water recovered from the condensation of the steam in boilers are reused after suitable treatment such as passing to through a softener.	Reduction in water intensity

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2.	Application of 5Rs for waste management.	All the waste generated by the Company is disposed as per norms. Efforts are made to recover/recycle the waste and reuse it within the Company. Treated Effluent recycled The plastic waste generation reduced by recycling. The boiler ash was being used for producing bricks. Generated Distillation residue reused at cement klin	Legal Compliance achieved Drums are decontaminated & reused. Treated Effluent recycled at process cooling towers & toilet flushing, resulted to reduction of fresh water consumption Generated plastic waste decontaminated & reused for storage of waste and remaining sent to recycler. Generated Boiler Ash sent to Brick manufacturer Energy recovered from hazardous waste. The burden of waste on the planet reduced and process cost reduced by reuse of different materials.

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

Yes, the Company has a business continuity plan (BCP) for corporates and major plants. The plan is prepared after rigorous discussions/ brainstorming with all relevant stakeholders. The major threats to business are considered among the list of identified risks/hazards/activities. The implementation responsibility of the same in case of major emergencies lies with site heads of respective units.

Apart from the BCPs the Company also has onsite emergency plans. The OSEP deals with all the emergencies/hazards activities and risks that are within the scope of the organisation to deal with as these risks won't directly cause harm to business. All such incidents are dealt in detail in OSEP.

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

Impact of Value Chain Partner's activities on environment is not assessed formally by Sequent.

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

Impact of Value Chain Partner's activities on environment is not assessed formally by Sequent.



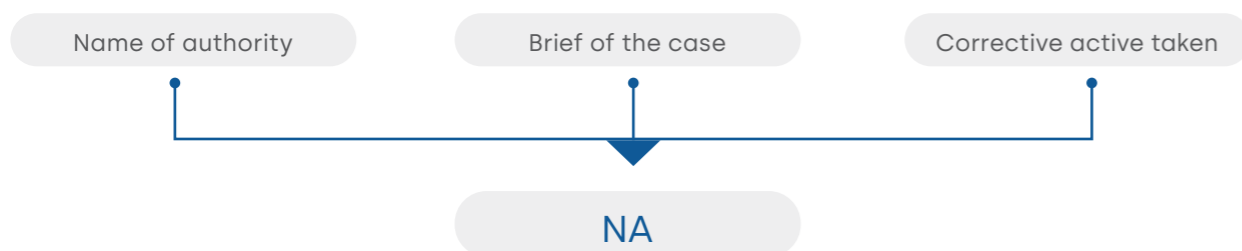
PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations. : 7
- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

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

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



Leadership Indicators

Details of public policy positions advocated by the entity:

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, If available

The Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. The Company has a Code of Conduct Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/Industry bodies.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

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

Name and Brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link

Since there are no projects falling under the purview of Social Impact Assessments, it is not applicable for Sequent

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

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

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

The Human Resource/ Public relations department of the Company can be approached by any member of community for grievance redressal. The Whistle Blower Mechanism also enables any person to register his grievance anonymously.

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

Parameter	FY23	FY22
Directly sourced from MSMEs/ small producers	47.87	22.75
Sourced directly from within the district and neighbouring districts	11%	5%

Leadership Indicators

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



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

S. No	State	Aspirational District	Amount spent (In ₹)
1.	Andhra Pradesh	Vizag	6,38,800

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

No. We do not have any preferential procurement policy.

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

Sequent does not procure from an identified marginalized/ vulnerable group

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

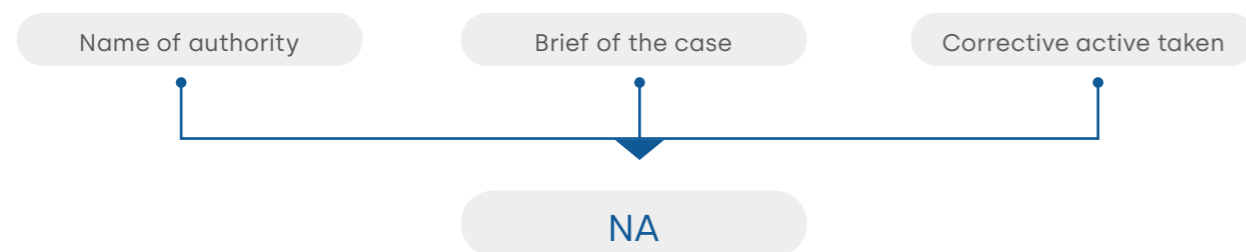
Sequent does not procure from an identified marginalized/ vulnerable group



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

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

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



6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
Our CSR initiatives revolve around Health, Education & Animal Welfare. All the beneficiaries of our CSR programme belong to marginalised strata of society. More details are available at CSR Report of the Annual Report.			

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

Essential Indicators

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

Sequent treats customer complaints with utmost importance and believe that its needs to be addressed with transparency and resolution-oriented manner. Effective implementation of our consumer policies is done in order to ensure effective & satisfactory redressal of consumer complaints in both B2B & B2C segment.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable as our product does not require to carry this information
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable as our product does not require to carry this information

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

Category	FY23		Remarks	FY22		Remarks
	Received during the Year	Pending resolution at end of year		Received during the Year	Pending resolution at end of year	
Data Privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	

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

S. No	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

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

Yes, the Company has a policy in place to address cyber security and risks related to data privacy. The policy is available on the intranet for our employees.

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

NA

Leadership Indicators

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

Customers are provided with all relevant product information like product composition, dosage instructions, storage, safety, cautionary notes, etc. on <http://www.alivira.co/>

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

Product packaging contains the necessary usage details of the product

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

Customers are provided with all relevant product information like product composition, dosage instructions, storage, safety, cautionary notes, etc. on <http://www.alivira.co/>

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

Sequent provides the statutorily required information on its products.

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

There were no instances of data breaches

b) Percentage of data breaches involving personally identifiable information of customers

There were no instances of data breaches.

Alignment of initiatives taken by Sequent against UNSDGs¹ :

NGRBC Principle	SDGs covered	Activities
Principle 1		SDG 16: PEACE, JUSTICE AND STRONG INSTITUTION Ethics & Governance Committee: In addition to the statutory committees, 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.
		SDG 17: PARTNERSHIPS FOR THE GOALS Sequent is member of following industry and trade associations : a) Pharmaceuticals Export Promotion Council of India (Pharmexcil) b) Indian Merchant Chamber of Commerce (IMC) c) Bombay Drug Manufacturer's Association d) Bulk Drug Manufacturing Association, Hyderabad e) Federation of Indian Export Organisations f) Mahad Manufacturer's Association (MMA) g) Jawaharlal Nehru Pharma City Association The Company engages with the community through NGOs such as Dev Loka Educational Trust and Chirag Rural Development Foundation through monetary contributions. <small>The Ministry of Corporate Affairs (2018). National Guidelines on responsible business conduct. pg. 48 Available at: https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf.</small>
Principle 2		SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE
		SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION The Company is committed to safe management of the products by responsibly disclosing information during product labelling. Customers are provided with all relevant product information like product composition, dosage instructions, storage, safety, cautionary notes, etc. ▶ The Company is working on several R&D programmes with emphasis on sustainable design philosophy, starting from raw material selection to formulation development and manufacturing. ▶ Some of the certifications that the Company has received includes approvals from authorities like USFDA, EUGMP, TGA, and Health Canada amongst others. Sequent endeavours to carry out periodic site inspections of CMO partners and has been providing upgradation support to vendors whenever required as a part of promoting inclusive growth.

NGRBC Principle	SDGs covered	Activities
Principle 3		SDG 1: NO POVERTY
		SDG 6: CLEAN WATER & SANITATION
		SDG 7: AFFORDABLE & CLEAN ENERGY In line with SDG 1, Sequent was involved in 'Project Chirag', where the aim was to mitigate the migration in four tribal villages in Palghar, Maharashtra by providing them access to a sustainable livelihood and improved quality of life. Additionally in line with SDG 6 and 7, the activities were divided into two parts – ▶ Installed 10 KW solar panel to generate electricity that would operate a 7.5 HP pump for irrigation. It helped the villagers of 4 villages in Sawade Grampanchayat-Patlipada, Kuvrepada, Pagipada and Barafpada, Palghar District to receive 30 ltrs of water for domestic use and 2500 ltrs of clean drinking water per day. ▶ Installed 8 water tanks to suffice the domestic needs of water consumption. The Company built a community toilet block in the village to aid the Swacch Bharat Mission.
Principle 3		SDG 3: GOOD HEALTH AND WELL-BEING
		SDG 8: DECENT WORK AND ECONOMIC GROWTH Recreation: Sequent has been celebrating festivals helping raise employee morale and build camaraderie among our people. The Company also organises a number of team building activities and games at our various locations to improve communication, planning, problem-solving, and conflict resolution among cross functional teams. Skill Development: During the year, the Company conducted the following trainings: 1) SeQuent Values & Whistle Blower Policy for employees 2) Code of Conduct & Code of Ethics for employees 3) Prevention of Sexual Harassment at Workplace 4) Learning Management System based Training Program on a) Anti-Corruption Compliance Policy b) Economic Sanctions Compliance Policy c) Anti-Money Laundering & Counter Terrorist Financing Compliance Policy Safety: The Company has implemented several safety initiatives on a continual basis: i. Use of PPEs wherever necessary ii. Setting up of occupational Health Centres iii. Conducting regular training programmes and safety audits
Principle 4		SDG 4: QUALITY EDUCATION To educate and promote the livelihood of youth belonging to underprivileged sections of society, the Company contributed to the Skill Development Program in Mangalore & Ambernath during the year where it benefitted 190 childrens.
		SDG 8: DECENT WORK AND ECONOMIC GROWTH Recognition: The Company honours its employees for their outstanding work every year. The Company presents long service awards to recognise the dedication and commitment of our employees who have been associated with them throughout their lifetime. During FY23, 63 such awards were awarded.

NGRBC Principle	SDGs covered	Activities
Principle 5		<p>SDG 10: REDUCED INEQUALITIES</p> <p>Each year, the Company celebrates International Women’s Day with great fervour and enthusiasm as a sign of respect for our women members & their contributions and as a mark of the DE&I principles that we have in our DNA.</p> <p>The Company & its subsidiaries strictly comply with the prohibition of child & forced labour along with workers’ right to information and adhere to this principle in the most earnest spirit.</p>
Principle 6	 	<p>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES</p> <p>SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>SDG 13: CLIMATE ACTION</p> <p>The Company actively reduces disposable waste through process optimisation. The Company has partnered with companies in the cement industry to reuse incinerable solid waste and are diverting a majority of the incinerable solid waste generated to be reused in the cement industry. 65% of our solid waste generated by us is reused in cement manufacturing – which in itself is contribution towards climate action.</p> <p>The Company has installed light sensors and switched to LED lights in a bid to optimise our energy consumption. We have done a 6% reduction in fossil fuel consumption at Vizag plant and a 22% reduction in fossil fuel consumption at Mahad plant during FY23.</p> <p>The Company has been able to prevent fugitive emissions from equipment leaks, joints, and gasket leaks, with the help of leak detection and repair study.</p> <p>The Company emphasises practices that address environmental issues ranging from judicious use of natural resources to upgradation of processes focused on reducing solvent usage, reducing the quantity of raw materials used, reduction in effluents generated and diversifying energy procurement to renewable sources such as solar energy.</p> <p>The Company took several initiatives such as:</p> <ol style="list-style-type: none"> Installation of cast iron tanks to replace CSA tanks Installation of new glass line reactors Installation of light sensors Switching to usage of LEDs Reduction in carbon footprint through substituting fossil fuels with solar energy for increased energy requirements Strengthening of solvent emission controls for waste recovery Diversion of Hazardous waste for processing for reuse as alternate fuel Recycling of treated water and reuse for domestic purposes <p>We have a functional Waste Management Policy covering inter alia Plastic waste disposal process.</p>
		<p>SDG 7: AFFORDABLE AND CLEAN ENERGY</p> <p>The Company, during the reporting period, continued with its contribution to efforts in clean energy initiatives such as installation of solar lights, lift irrigation, water filtration, etc. in Palghar District.</p> <p>These initiatives touched upon the lives of beneficiaries in Sawade Village, Palghar District & helped them overcome the daily struggle for necessities, allowing them to focus on their livelihoods</p>

NGRBC Principle	SDGs covered	Activities
Principle 8		<p>SDG 2: ZERO HUNGER</p> <p>To educate and promote the livelihood of youth belonging to underprivileged sections of society, the Company contributed to the Skill Development Program in Mangalore & Ambernath.</p>
		<p>SDG 6: CLEAN WATER AND SANITATION:</p> <p>The Company recycles 100% of wastewater through Zero Liquid Discharge (ZLD) technology. We keep streamlining our production techniques to cut down on the amount of use of freshwater.</p> <p>Sequent had started cultivating an area of 30 acres in 4 villages of Sawade Grampanchayat-Patlipada, Kuvrepada, Pagipada and Barafpada, Palghar District and had brought it under green cover in FY22 through its CSR activities via Chirag Foundation, an NGO. The work continues to maintain the green cover during FY23.</p> <p>2,500 Litre of clean drinking water and 30 ltrs. of water for domestic use was made available per day to villagers of 4 villages in Sawade Grampanchayat-Patlipada, Kuvrepada, Pagipada and Barafpada, Palghar District during FY22 and it was continued during FY23.</p>

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 2023, the consolidated Statement of Profit and Loss, including other comprehensive expenses, 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, 2023, their consolidated loss including other comprehensive expense, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. 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
<p>Revenue recognition under Ind AS 115, "Revenue from contracts with customers" (as described in Note 2 (vii) and 35 of the consolidated financial statements)</p> <p>The Group recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.</p> <p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> Read the Group's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers'; Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns; On a sample basis, we tested underlying documents including purchase orders issued by customers, and sales invoices raised by the Group and shipping documents to assess the timing of transfer of control and the timing of revenue recognition; We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions; We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required; Read and assessed the relevant disclosures made within the consolidated financial statements.
<p>Impairment assessment of Goodwill including Intangible Assets (as described in Note 4 and 5 of the consolidated financial statements)</p> <p>The Group has goodwill of ₹ 2,400.42 million and other intangible assets of ₹ 645.27 million respectively as at March 31, 2023 which includes goodwill/intangible assets acquired through various business combinations and allocated to cash generating units of the Group.</p> <p>Impairment of goodwill and intangible assets is determined by assessing the recoverable amount of each cash generating unit to which these assets relate.</p> <p>The recoverable amount of the cash generating unit as at March 31, 2023 has been determined based on valuation techniques such as projected future cash inflows, etc.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding, evaluated the design, and tested operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models. We obtained an understanding of the process followed by the management in determining the Cash Generating Units (CGUs) to which goodwill and intangible assets are allocated. We obtained an understanding of the process followed by the management to determine the recoverable amounts of CGUs to which the goodwill and intangible assets pertain to. We obtained the management testing of impairment and report of management specialist on impairment assessment of Turkey CGU and discussed the assumptions and other factors used in the assessment. We evaluated the assumptions applied to key inputs such as future sales volume, sales price, operating costs, terminal value growth rates.



Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> We tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units. We involved valuation experts to assist in evaluating key assumptions used in the impairment testing performed by the management and its specialists. We assessed the disclosures provided by the Group in relation to its annual impairment test in notes to the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of

which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 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 fourteen subsidiaries, whose financial statements include total assets of ₹ 13,948.84 million as at March 31, 2023, and total revenues of ₹ 10,340.54 million and net cash outflows of ₹ 19.85 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances



and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of three subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 83.80 million as at March 31, 2023, and total revenues of ₹ 106.14 million and net cash outflows of ₹ 2.01 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. There are no qualifications or adverse remarks given by the respective auditor in the Companies (Auditor's Report) Order, 2020 ("the Order"), report of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it

appears from our examination of those books and reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2023 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 47 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, 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 61 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 61 to the

consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, companies, incorporated in India.
- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries incorporated in India, hence reporting under this clause is not applicable.

For **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 23110759BGVZSN3957

Place of Signature: Thane
Date: May 23, 2023

Annexure 1 to The Independent Auditors' Report of Even Date on the Consolidated Financial Statements of Sequent Scientific Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sequent Scientific Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 23110759BGVZSN3957

Place of Signature: Thane

Date: May 23, 2023

Consolidated Statement of cash flows

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022 (Restated) (refer note 54)
Cash flow from operating activities		
Net profit / (Loss) before tax and exceptional items	(1,376.58)	529.30
Adjustments for:		
Depreciation and amortisation expenses	556.93	515.41
Unrealised forex (gain) / loss (net)	114.46	(63.03)
Bad trade receivables written off	1.83	3.26
Bad loans and advances written off	0.12	1.16
Allowance for doubtful trade receivables provided / (written back)	7.56	(0.15)
Finance costs	355.17	157.74
Dividend income	(0.01)	(1.66)
Interest income	(12.09)	(2.41)
(Profit) / loss on sale of property, plant and equipment (net)	(20.42)	0.69
Gain on sale of investments	(0.51)	(3.18)
Property, plant and equipment written off	1.61	0.34
Lease liability written back (net)	-	(3.89)
Exceptional Items	647.93	-
Hyperinflation Impact	200.53	-
Expenses pertaining to share-based payment to employees	354.11	333.01
Operating profit before working capital changes	830.64	1,466.59
Changes in working capital		
(Increase) / Decrease in trade receivables, loans and advances and other assets	(412.64)	(407.24)
(Increase) / Decrease in inventories	50.79	(1,147.33)
(Increase) / Decrease in margin money and unpaid dividend accounts	15.85	6.95
Increase / (Decrease) in trade payables, other payables and provisions	(170.13)	654.65
Net change in working capital	(516.13)	(892.97)
Cash generated from / (used in) operations	314.51	573.62
Income taxes paid (net)	(146.43)	(267.67)
Net cash generated from / (used in) operating activities	A 168.08	305.95
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(861.79)	(324.64)
Proceeds from disposal of property, plant and equipment and intangible assets	116.71	11.91
Proceeds from sale of long term investments	225.39	-
(Purchase) / sale of current investments (net)	12.17	37.48
Interest received	12.33	2.77
Dividend received	0.01	1.49
Consideration paid on acquisition of new subsidiary company	(154.40)	(234.89)
Consideration paid on acquisition of additional share from NCI	-	(449.78)
Net cash generated from / (used in) investing activities	B (649.58)	(955.66)

Consolidated Statement of cash flows

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022 (Restated) (refer note 54)
Cash flow from financing activities		
Proceeds from stock options exercised by employees	-	21.16
Proceeds from stock options pending allotment	-	91.38
Proceeds from long-term borrowings	575.43	674.98
Payment of lease liabilities	(95.68)	(48.76)
Repayment of long-term borrowings	(356.26)	(313.10)
Proceeds from / (repayment of) short-term borrowings (net)	557.52	549.24
Interest and other borrowing cost paid	(355.71)	(162.12)
Dividend distribution to Non-controlling interest (NCI)	(3.02)	(16.77)
Dividends paid	-	(123.44)
Net cash generated from / (used in) financing activities	C 322.28	672.57
Net increase / (decrease) in cash and cash equivalents during the year	(A+B+C) (159.22)	22.86
Cash and cash equivalents at beginning of the year (refer note 13)	574.96	537.44
Cash & cash equivalents acquired pursuant to acquisition of subsidiary (refer note 54)	-	14.66
Cash and cash equivalents at end of the year (refer note 13)	415.74	574.96

Reconciliation of liabilities arising from financing activities

As at 31st March 2023	Opening Balance	Cash Flow	Non-Cash Changes	Balance
Borrowings and Lease liabilities	3,649.00	681.01	105.93	4,435.95
Total Liabilities From Financing activity	3,649.00	681.01	105.93	4,435.95

As at 31st March 2022	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	2,770.00	862.00	17.00	3,649.00
Total Liabilities From Financing activity	2,770.00	862.00	17.00	3,649.00

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

Significant Accounting Policies 2

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORSFor **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram NarayananManaging Director &
Chief Executive Officer
DIN:02977405**Sharat Narasapur**Joint Managing Director
DIN:02808651**P V Raghavendra Rao**

Chief Financial Officer

Krunal ShahCompany Secretary
Membership No: 26087

Thane, 23 May 2023

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	24,83,70,995	496.74	24,83,70,995	496.74
Issued during the year	10,62,500	2.12	-	-
Balance at the end of the year	24,94,33,495	498.86	24,83,70,995	496.74

(a) Equity share capital

(b) Other equity

	Reserves & surplus (note 20) Attributable to equity shareholders							Non-controlling interest (note 21)	Total Equity					
	Share application money pending allotment	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve			Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings	Reserve for equity instruments through other comprehensive income	Total
Opening balance as on 01 April 2021	-	24.80	8,726.86	77.66	227.69	(89.43)	(675.54)	(4,10.25)	(2,319.04)	599.66	617.36	6,779.77	486.65	7,266.42
Profit for the year	-	-	-	-	-	-	-	-	-	409.55	-	409.55	38.09	447.64
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	-	(728.18)	-	-	0.14	(355.84)	(1,083.88)	(2.85)	(1,086.73)
Total comprehensive income / (expenses) for the year	-	-	-	-	-	-	(728.18)	-	-	409.69	(355.84)	(674.33)	35.24	(639.09)
Share application money pending allotment	91.38	-	-	-	-	-	-	-	-	-	-	91.38	-	91.38
Recognition of share-based payments	-	-	-	322.80	-	-	-	-	-	-	-	322.80	-	322.80
Employee stock options issued during the year	-	-	-	-	-	31.72	-	-	-	-	-	31.72	-	31.72
Non-controlling interest holding put options derecognised	-	-	-	-	-	-	-	-	-	-	-	-	(20.27)	(20.27)
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	(4.79)	(4.79)
Recognition of put option liability during the year	-	-	-	-	-	-	-	410.25	-	-	-	410.25	-	410.25
Acquisition of minority interest	-	-	-	-	-	-	-	-	(413.91)	-	-	(413.91)	-	(413.91)
Premium on exercise of employee stock options	-	-	15.69	(15.69)	-	-	-	-	-	-	-	-	-	-
Vested ESOP lapsed during the year	-	-	-	(5.19)	5.19	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(123.44)	-	(123.44)	(16.77)	(140.21)

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Reserves & surplus (note 20) Attributable to equity shareholders							Non-controlling interest (note 21)	Total Equity				
	Share application money pending allotment	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Translation reserve			Gross obligation to non-controlling interest under put options	Other reserves	Retained earnings	Reserve for equity instruments through other comprehensive income
Balance as at 31 March 2022	91.38	24.80	8,742.55	379.58	232.88	(57.71)	(1,403.72)	(2,732.95)	885.91	261.52	6,424.24	480.06	6,904.30
Profit / (Loss) for the year	-	-	-	-	-	-	-	-	(1,211.59)	-	(1,211.59)	(8.18)	(1,219.77)
Other comprehensive income / (expenses) for the year, net of income tax	-	-	-	-	-	-	(135.92)	-	(22.61)	(121.44)	(279.97)	18.48	(261.49)
Total comprehensive income / (expenses) for the year	-	-	-	-	-	-	(135.92)	-	(1,234.20)	(121.44)	(1,491.56)	10.30	(1,481.26)
Hyperinflation Restatement upto 1 April 2022 (refer note 53)	-	-	-	-	-	-	-	-	748.00	-	748.00	-	748.00
Recognition of share-based payments	-	-	-	354.11	-	-	-	-	-	-	354.11	-	354.11
Transfer to retained earnings on sales of quoted equity investments carried at-FVTOCI	-	-	-	-	-	-	-	-	141.81	(141.81)	-	-	-
Reinstatement of opening non-controlling interest on acquisition	-	-	-	-	-	-	-	-	-	-	-	16.78	16.78
Employee stock option issued during the year	(91.38)	-	260.69	(170.51)	-	-	-	-	-	-	(1.20)	-	(1.20)
Hyperinflation adjustment	-	-	-	-	-	-	-	-	455.33	-	455.33	-	455.33
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(3.02)	(3.02)
Balance as at 31 March 2023	-	24.80	9,003.24	563.18	232.88	(57.71)	(1,539.64)	(2,732.95)	996.85	(1.73)	6,488.92	504.12	6,993.04

Significant Accounting Policies 2

The accompanying notes are integral part of these consolidated financial statements

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan

Managing Director &
Chief Executive Officer

DIN:02977405

P V Raghavendra Rao

Chief Financial Officer

Sharat Narasapur

Joint Managing Director

DIN:02808651

Krunal Shah

Company Secretary

Membership No: 26087

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

1 CORPORATE INFORMATION

SeQuent Scientific Limited (the "Company") is a Company incorporated and domiciled in India and has its registered office located at 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (W), Maharashtra - 400604, India. The shares of the Company are publicly traded on the National Stock Exchange of India Limited and BSE Limited. The Company is a leading integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (APIs and finished dosage formulations) and analytical services. The Company is headquartered in Thane, India, with eight manufacturing facilities, based in India, Turkey, Brazil, Spain and Germany. The Company together with its subsidiaries is herein after referred to as 'Group'.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

(ii) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for:

- Share-based payments transaction as defined in Ind AS 102 – Share-based payments.
- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that has some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of assets.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR). All financial information presented in INR has been rounded to the nearest million (up to two decimals).

(iv) Basis of consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries drawn up to the dates specified in note 48. 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 2023

All amounts are in ₹ million unless otherwise stated

(v) Business combination

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

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Group incurred in connection with a business combination are expensed as incurred. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the end of each reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If the excess is a negative, a bargain purchase gain is recognised in capital reserve. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination."

(vi) Non-current assets held for sale

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

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

Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Non-current assets are reclassified from held-for-sale to held-for-use if they no longer meet the criteria to be classified as held-for-sale. On reclassification as held-for-use, a non-current asset is remeasured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale or held-for-distribution.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(vii) Revenue recognition

The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss.

Sale of goods

Revenue from sale of products is presented in the income statement within revenue from operations. The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, expiry, rebates, incentives and of customer discounts. Revenue is recognised when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognised when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products. Sales are measured at the fair value of consideration received or receivable. The amounts of rebates / incentives are estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognised in the period in which the underlying sales are recognised based on an estimate basis. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers

Services

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

Export entitlements

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

Interest and dividend income

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

(viii) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term. If ownership of

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies (xix)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of the assets	Useful life in years
ROU-Land	50-99
ROU- Building	3-99
ROU- Computers	5
ROU- Vehicle	3-4
ROU- plant and machinery	3-6

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. 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."

(ix) Foreign currency transactions and translation

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on disposal of net investment.

The assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interest as appropriate). Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange difference on capital expenditure are not capitalised but charged to the consolidated statement of profit and loss.

The financial statements of group companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation and then translated into INR using the balance sheet exchange rate (Also refer note xxvii below).

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or erection of qualifying assets are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statement of profit and loss in the period in which they are incurred.

(xi) Employee benefits

a) Defined contribution plans:

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

b) Defined benefit plans:

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

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

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

The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item 'Employee benefits expense' and 'Finance costs' respectively. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognise any related restructuring costs.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

c) Short-term employee benefits

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

d) Other employee benefits

Other employee benefits comprise of leave encashment, which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(xii) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled Share-based transactions are set out in Note 51. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(xiii) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Minimum alternative tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability. MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and asset can be measured reliably.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. The Group applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have any significant impact on the consolidated financial statements of the Company.

b) Deferred tax

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the 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.

(xiv) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are recognised and depreciated separately. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values, using the straight-line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Nature of the assets	Useful life in years
Factory building	10-30
Plant and machinery	2-16
Furniture and fixtures	10-16

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates are accounted for on a prospective basis. Depreciation on additions / deletions to property, plant and equipments is provided prorata from the month of addition / till the month of deletion.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the consolidated statement of profit and loss as incurred.

Derecognition of property, plant & equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(xv) Intangible assets

a) Intangible assets acquired separately

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

b) Internally generated intangible asset- research and development expenditure"

Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the consolidated statement of profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c) Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated intangibles, are recognised in the consolidated statement of profit and loss as incurred.

d) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination which are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

e) Useful lives of intangible assets

Estimate useful lives of the intangible assets are as follow:

Nature of the assets	Useful life in years
Product / process development	5
Marketing rights	5
Software	3-5
Brand	5-20
Customer relationship	5
Registration fees	2-10

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

f) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit and loss when the asset is derecognised.

(xvi) Inventories

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

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

- (i) Raw materials, packing materials, fuel and consumables: At actual purchase cost including other cost incurred in bringing materials / consumables to their present location and condition.
- (ii) Work-in-progress and Intermediates: At material cost, conversion costs and appropriate share of production overheads based on normal capacity.
- (iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads based on normal capacity.
- (iv) Stock-in-trade: At purchase and other costs incurred in bringing the inventories to their present location and condition.

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

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

(xvii) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes to consolidated financial statements. Contingent assets are not recognised but are disclosed in the notes to consolidated financial statements when economic inflow is probable.

(xviii) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transactions costs.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate ('EIR') method, less any impairment loss. Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

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

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

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

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

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets included within the FVTPL category are measured at fair values with all changes in the consolidated statement of profit and loss.

(iv) Derecognition of financial assets

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

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(ii) Financial liabilities at FVTPL

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

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities only when, the obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit and loss.

c) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the consolidated statement of profit and loss.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from contract with customers

e) Foreign exchange gains and losses on financial assets and financial liabilities

- The fair value of financial assets / liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
- For foreign currency denominated financial assets / liabilities measured at amortised cost and FVTPL, the exchange differences are recognised in the consolidated statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the consolidated statement of profit and loss.
- For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the consolidated statement of profit and loss.

(xix) Impairment

a) Financial assets

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider: (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

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

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss. This amount is reflected under the head "other expenses" in the consolidated statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable:

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

b) Non-financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine to the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

(xx) Earnings per share

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(xxi) Insurance claims

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(xxii) Cash and cash equivalents

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

(xxiii) Segment

Segments have been identified taking into account the nature of business, the differing risks and returns, the organisational structure and the internal reporting system.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment. The Group is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of the Group, the Group has only one business segment viz; pharmaceuticals as primary reportable segment.

(xxiv) Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(xxv) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(xxvi) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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."

(xxvii) Hyperinflationary Economies

The Group applies IND AS 29 'Financial Reporting in Hyperinflationary Economies' for the subsidiaries whose functional currency is the currency of Hyperinflation economy. In determining whether the economy is under the hyperinflation, both qualitative and quantitative factors are considered, including whether the cumulative inflation rate over three years is approaching, or exceeds, 100%.

The application of IND AS 29 includes:

- adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- adjustment of revenue and expenses for inflation during the reporting period;
- adjustment in statement of profit and loss account to reflect the impact of inflation rate movement on holding non-monetary assets and liabilities (including equity) in hyperinflationary currency; and
- adjustment of inflation on goodwill in retained earnings (refer note 53).

Further, in accordance with Ind AS 21 'The Effects of Changes in Foreign Exchange Rates', the comparatives amounts in the Consolidated Financial Statements are not adjusted for subsequent changes in the price level i.e. consumer price index for the hyperinflationary economy.

2A. Use of estimates and management judgements

In application of the accounting policies, which are described in note 2A, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:"

(i) Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

(ii) Impairment

An impairment loss is recognised for the amount by which an asset's / investment's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(iii) Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

(iv) Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(v) Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of each reporting period on the government bonds.

(vi) Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

(vii) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses black scholes model Employee Share Option Plan. The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 51.

2B Standards notified but not yet effective.

(I) The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements."

(II) Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

(III) Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

3.a Property, plant and equipment

Cost	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipment	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2021	89.43	3.35	1,074.25	53.69	36.41	54.33	2,217.69	115.78	3,644.93
Additions	-	1.08	53.78	6.73	3.57	21.79	371.40	9.84	468.19
Additions on business combination (Refer Note 54)	-	-	9.08	1.63	-	0.13	4.67	-	15.51
Effect of foreign currency exchange differences	(4.30)	0.75	(40.04)	(2.57)	(1.70)	(1.08)	(58.50)	(25.69)	(133.13)
Deletions	-	-	1.98	0.03	0.05	0.20	15.10	3.40	20.76
Balance as on 31 March 2022	85.13	5.18	1,095.09	59.45	38.23	74.97	2,520.16	96.53	3,974.74
Additions	-	2.31	61.41	14.78	2.98	9.96	206.15	6.46	304.05
Hyperinflation adjustment (refer note 53)	7.43	-	99.93	6.73	6.46	3.43	313.13	53.64	490.75
Effect of foreign currency exchange differences	2.21	2.74	1.18	2.18	(2.88)	0.29	64.77	(2.31)	68.19
Deletions (refer note 43)	-	-	32.33	4.74	16.24	-	178.37	15.76	247.44
Balance as on 31 March 2023	94.77	10.23	1,225.28	78.40	28.55	88.65	2,925.84	138.56	4,590.28
Accumulated depreciation	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipment	Computers	Plant and machinery	Vehicles	Total
Balance as on 01 April 2021	-	0.23	203.83	23.11	22.18	34.80	1,124.96	62.63	1,471.74
Depreciation expenses for the year (refer note 40)	-	0.86	50.26	6.33	6.94	10.42	275.61	17.81	368.23
Effect of foreign currency exchange differences	-	0.07	(7.54)	(2.55)	(1.28)	(0.98)	(38.96)	(15.78)	(67.02)
Deletions	-	-	1.63	0.02	0.04	0.19	5.23	0.71	7.82
Balance as on 31 March 2022	-	1.16	244.92	26.87	27.80	44.05	1,356.38	63.95	1,765.13
Depreciation expenses for the year (refer note 40)	-	0.28	51.69	8.35	5.66	13.80	291.25	10.77	381.80
Hyperinflation adjustment (refer note 53)	-	-	23.21	6.00	4.47	3.08	116.42	41.31	194.49
Effect of foreign currency exchange differences	-	1.96	0.76	2.06	(2.69)	0.42	57.89	(0.68)	59.72
Deletions	-	-	16.88	2.98	13.21	-	95.96	13.95	142.98
Balance as on 31 March 2023	-	3.40	303.70	40.30	22.03	61.35	1,725.98	101.39	2,258.16

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

3.a Property, plant and equipment (Contd.)

Carrying amount	Freehold land	Lease hold improvement	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2022	85.13	4.02	850.17	32.58	10.43	30.92	1,163.78	32.58	2,209.61
Balance as on 31 March 2023	94.77	6.82	921.57	38.10	6.52	27.31	1,196.86	37.15	2,332.12

Notes: -

- Refer note 22 and 28 for charge created on the assets.
- Refer Note 47 for capital commitments.

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

Cost	ROU - Land	ROU -Building	ROU -Computer	ROU -Vehicles	ROU - Plant and machinery	Total
Balance as on 01 April 2021	673.59	401.10	10.50	19.12	43.27	1,147.58
Additions (Refer note 56)	-	16.90	-	1.21	10.47	28.58
Effect of foreign currency exchange differences	-	2.08	(0.05)	0.04	(0.30)	1.77
Deletions	-	13.54	-	-	-	13.54
Balance as on 31 March 2022	673.59	406.54	10.45	20.37	53.44	1,164.39
Additions (Refer note 56)	-	7.93	-	8.20	-	16.13
Hyperinflation adjustment (Refer note 53)	-	5.28	-	-	0.13	5.41
Effect of foreign currency exchange differences	-	12.44	-	-	(0.06)	12.38
Deletions	-	145.56	0.39	3.83	12.14	161.92
Assets classified as held for sale*	111.06	-	-	-	-	111.06
Balance as on 31 March 2023	562.53	286.63	10.06	24.74	41.37	925.33

Accumulated depreciation	ROU - Land	ROU -Building	ROU -Computer	ROU -Vehicles	ROU - Plant and machinery	Total
Balance as on 01 April 2021	17.76	76.19	7.87	11.86	16.36	130.04
Depreciation expenses for the year (refer note 40)	8.87	45.82	2.32	5.46	10.70	73.17
Effect of foreign currency exchange differences	-	0.42	0.02	(0.06)	(0.20)	0.18
Deletions	-	3.77	-	-	-	3.77
Balance as on 31 March 2022	26.63	118.66	10.21	17.26	26.86	199.62
Depreciation expenses for the year (refer note 40)	8.39	54.32	2.43	4.04	0.99	70.16
Effect of foreign currency exchange differences	-	2.50	-	-	-	2.50
Deletions	-	2.88	2.57	3.90	2.77	12.11
Assets classified as held for sale*	10.14	-	-	-	-	10.14
Balance as on 31 March 2023	24.88	172.60	10.07	17.40	25.09	250.04

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

3.b Right-of-use assets (ROU) (Contd.)

Carrying amount	ROU - Land	ROU -Building	ROU -Computer	ROU -Vehicles	ROU - Plant and machinery	Total
Balance as on 31 March 2022	646.96	287.88	0.24	3.11	26.58	964.77
Balance as on 31 March 2023	537.65	114.02	(0.01)	7.34	16.28	675.29

*The Group has entered into a memorandum of understanding for sale leasehold rights on Ambernath Land for a consideration of ₹171 million and disclosed the said asset aggregating to book value of ₹100.92 as Asset held for Sale in the statement for the year ended 31 March 2023.

The Group, with the approval of Board of Directors of the Company, has decided to sell the leasehold factory land at Ambernath (Maharashtra), which was used for manufacturing operations in the earlier years and the Company does not expect to derive any economic benefit by holding the said land. In this regard, the group has entered into a Memorandum of understanding for sale of lease hold rights for a consideration of ₹171 million which is expected to get materialised in the current year. The carrying value of the land of ₹100.92 million has been, accordingly, reclassified as Asset held for sale, in the financial statements for the year ended 31 March 2023.

4 Goodwill

Carrying amount of:	As at 31 March 2023	As at 31 March 2022
Goodwill	2,400.42	1,807.84
Total	2,400.42	1,807.84

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,807.84	1,742.01
Additions on business combinations (Refer note 54)	-	193.77
Impairment on goodwill (Refer note 43)	(204.09)	-
Hyperinflation adjustments	734.64	-
Effect of foreign currency exchange differences	62.03	(127.94)
Balance at the end of the year	2,400.42	1,807.84

4.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units. The carrying amount of goodwill allocated to cash-generating units is as follows:

Group (CGU)	As at 31 March 2023	As at 31 March 2022
Turkey group (refer note below)	752.31	221.77
Spain group	707.19	668.13
Fendigo group	303.65	286.89
Brazil group (Refer Note 54)	402.18	393.89
Sweden	106.71	108.78
SeQuent Research Limited	94.53	94.53
Others	33.85	33.85
Total	2,400.42	1,807.84

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

4 Goodwill (Contd.)

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:

Carrying amount of:	As at 31 March 2023	As at 31 March 2022
Discount rate	11% - 23%	8% - 18%
Long term growth rate	2% - 7.5%	2% - 7%

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 impairment charges of ₹ 204.10 millions were identified for year ended 31 March 2023 (31 March 2022: ₹ Nil) (refer note 43 c).

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 2021	94.14	150.89	636.96	64.95	51.09	998.03
Additions	-	7.13	0.12	-	24.28	31.53
Additions on business combination (Refer note 54)	-	-	258.34	-	-	258.34
Effect of foreign currency exchange differences	7.25	(3.65)	9.16	4.07	(0.85)	15.98
Balance as on 31 March 2022	101.39	154.37	904.58	69.02	74.52	1,303.88
Additions	-	2.65	-	-	13.21	15.86
Hyperinflation adjustment (refer note 53)	-	10.83	135.19	-	-	146.02
Effect of foreign currency exchange differences	0.83	8.86	30.59	-	27.99	68.27
Deletions	-	15.98	3.58	-	32.20	51.76
Balance as on 31 March 2023	102.22	160.73	1,066.78	69.02	83.52	1,482.27

Accumulated amortisation	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 01 April 2021	60.17	80.92	358.07	61.50	13.52	574.18
Amortisation expense for the year (refer note 40)	11.71	27.13	20.29	3.71	11.17	74.01
Effect of foreign currency exchange differences	1.57	(2.78)	(8.64)	3.81	(0.46)	(6.50)
Balance as on 31 March 2022	73.45	105.27	369.72	69.02	24.23	641.69

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

5 Other intangible assets (Contd.)

Accumulated amortisation	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Amortisation expense for the year (refer note 40)	7.55	14.21	75.38	-	7.83	104.97
Hyperinflation adjustment (refer note 53)	-	8.50	74.36	-	-	82.86
Effect of foreign currency exchange differences	0.02	8.40	17.14	-	27.84	53.40
Deletions	4.21	10.07	2.27	-	29.38	45.94
Balance as on 31 March 2023	76.81	126.31	534.33	69.02	30.52	836.97

Carrying amount	Product / process development	Software	Brands, marketing rights and trade mark	Customer relationship	Registration fees	Total
Balance as on 31 March 2022	27.94	49.10	534.86	-	50.29	662.19
Balance as on 31 March 2023	25.42	34.42	532.43	-	53.00	645.27

6 Non-current investments

	Face Value	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
A Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income					
i) Solara Active Pharma Science Limited	₹ 10.00	-	-	5,52,083	367.74
ii) Accions Caixabank	€ 1.00	-	-	440	0.12
Total (A)			-		367.86
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
Total (B)			0.05		0.05
Total (A+B)			0.05		367.91
Aggregate market value of quoted investments(A)			-		367.86
Aggregate carrying value of unquoted investments (B)			0.05		0.05
Aggregate amount of impairment in value of investment (C)			-		-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

7 Other non-current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Margin money deposits (Refer note below)	0.12	0.51
Security deposits	91.86	37.10
Others	70.96	70.68
Total	162.94	108.29

Note:

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

8 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision : ₹ 496.05) (31 March 2022 : ₹ 395.63)	120.55	104.82
Total	120.55	104.82

9 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	2.18	0.58
Prepaid expenses	9.23	7.30
Balance with government authority	2.66	1.09
Subsidy Receivable	35.21	35.21
Total	49.28	44.18

10 Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	1,315.92	1,290.46
Goods-in-transit	96.36	-
	1,412.28	1,290.46
Work-in-progress and intermediates (refer note (i) below)	489.14	567.84
Finished goods	602.27	1,066.12
Stock-in-trade	673.94	494.70
Goods-in-transit	277.76	55.48
Fuel	5.23	4.97
Consumable, Stores & Spares	0.27	0.17
Total inventories (lower of cost and net realisable value)	3,460.89	3,479.74

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

10 Inventories (Contd.)

Note:

(i) Details of inventory of work-in-progress and intermediates:

	As at 31 March 2023	As at 31 March 2022
Bulk drugs	445.50	516.59
Formulations	43.64	51.25
Total	489.14	567.84

(ii) During the year ended 31 March 2023, ₹ 19.10 (31 March 2022 : ₹ 19.05) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

(iii) During the year ended 31 March 2023, ₹ 22.84 (31 March 2022: ₹ 14.93) was recognised as an expense for inventories carried at net realisable value.

11 Current investments

	Face value	No. of shares / units	As at 31 March 2023	No. of shares / units	As at 31 March 2022
A Quoted equity instruments (fully paid-up) carried at fair value through other comprehensive income					
i) Transchem Limited	₹ -	-	-	26,077	0.57
ii) Techindia Nirman Limited	₹ 10	280	-*	2,280	0.03
iii) Agritech (India) Limited	₹ 10	4,927	0.46	6,300	0.78
Total (A)			0.46		1.38
B Other unquoted equity instruments (fully paid-up) carried at fair value through other comprehensive income					
i) Agroduct Industries Limited	₹ 10	36,250	-*	36,250	-*
ii) Aditya Investment & Communication Limited	₹ 10	58,800	-*	58,800	-*
Total (B)			-		-
C Unquoted mutual funds - carried at fair value through profit or loss					
i) Halk Bank	₹-	-	-	34,936	12.99
ii) Garanti Bank	₹-	-	-	9,548	-*
Total (C)			-		12.99
Total (A + B + C)			0.46		14.37
Aggregate market value of quoted investments			0.46		1.38
Aggregate market value of unquoted investments			-*		-*
Aggregate net asset value of investment in mutual funds			-		12.99

* Represent amounts lower than ₹ 10,000.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

12 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	3,409.62	3,292.41
Unsecured, considered doubtful	30.07	38.36
	3,439.69	3,330.77
Less: Allowance for doubtful trade receivables	30.07	38.36
Total	3,409.62	3,292.41

Notes:

- 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.
- Refer note 52.3 for term and other details.
- Trade receivables ageing is as below

As on 31 March 2023

Particulars	Outstanding for following periods From due date of Payment						Total
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,740.51	585.64	24.48	13.91	10.89	34.18	3,409.61
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	2.12	0.76	5.04	7.92
(iii) Undisputed Trade Receivables - Credit impaired	-	0.05	-	0.71	7.12	6.67	14.55
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	5.96	-	1.64	7.60
Total	2,740.51	585.68	24.48	22.70	18.77	47.52	3,439.69

As on 31 March 2022

Particulars	Outstanding for following periods From due date of Payment						Total
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,923.58	349.49	14.74	1.76	2.06	0.78	3,292.41
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.20	0.05	4.38	2.50	22.67	29.80
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	1.30	2.70	3.60	0.96	8.56
Total	2,923.58	349.69	16.09	8.84	8.16	24.41	3,330.77

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

13 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- In current accounts	414.22	438.82
- In deposit accounts	0.76	6.06
- Cheque in hand (refer note below)	0.18	129.39
Cash on hand	0.58	0.69
Total	415.74	574.96
Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flows	415.74	574.96

Note:

Cheque in hand pertains to receipts from customer and towards application money received from eligible employees pursuant to exercise of the stock options, pending allotment of the shares.

14 Bank balances other than above (note 13)

	As at 31 March 2023	As at 31 March 2022
In earmarked accounts		
- Unpaid dividend accounts	0.29	0.30
- Margin money deposits (refer note below)	1.43	17.27
Total	1.72	17.57

Note:

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

15 Financial assets-loan (current)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to employees	2.88	2.06
Loan to other parties	0.47	0.46
Total	3.35	2.52

16 Other current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Claims receivable	4.37	6.78
Foreign exchange forward contracts at FVTPL	6.43	2.76
Interest accrued on fixed deposits	0.05	0.29
Others	0.05	1.88
Total	10.90	11.71

17 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision : ₹ 34.65) (31 March 2022 : ₹ 36.09)	35.51	7.69
Total	35.51	7.69

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

18 Other current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Advance to suppliers	67.66	51.34
Balances with government authorities	325.60	314.40
Prepaid expenses	61.69	59.10
Others	4.80	5.99
Total	459.75	430.83

19 Share capital

	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
(a) Authorised				
Equity shares of ₹ 2 each	40,00,00,000	800.00	40,00,00,000	800.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹ 2 each	24,94,33,495	498.86	24,83,70,995	496.74
Total		498.86		496.74

Notes:

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

	No. of shares	Amount
Fully paid equity shares		
Balance at 01 April 2021	24,83,70,995	496.74
Shares issued during the year	-	-
Balance as at 31 March 2022	24,83,70,995	496.74
Shares issued during the year	10,62,500	2.12
Balance as at 31 March 2023	24,94,33,495	498.86

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	13,16,80,103	52.79%	13,16,80,103	53.02%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

19 Share capital (Contd.)

(iv) Details of shares held by promoter

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No of shares	% of total Shares	% Change during the year	No of shares	% of total Shares	% Change during the year
1. CA Harbor Investments	13,16,80,103	52.79%	-	13,16,80,103	53.02%	-

(v) 962,250 shares of ₹ 2 each (31 March 2022 : 962,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

(vi) Dividend paid and proposed

Particulars	31 March 2023	31 March 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2022: ₹ Nil per share (31 March 2021 : ₹ 0.50 per share)	-	124.19
	-	124.19
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2023 : ₹ Nil per share (31 March 2022 : ₹ Nil per share)	-	-
	-	-

20 Other equity

	As at 31 March 2023	As at 31 March 2022
i Share application money pending allotment	-	91.38
ii Other equity		
a Capital reserve	24.80	24.80
b Securities premium account	9,003.24	8,742.55
c Share options outstanding account	563.18	379.45
d General reserve	232.88	232.88
e Retained earnings	996.85	885.91
f Reserve for equity instruments through Other comprehensive income	(1.73)	261.52
g Treasury reserve	(57.71)	(57.71)
h Translation reserve	(1,539.64)	(1,403.72)
l Other reserves	(2,732.95)	(2,732.95)
Total	6,488.92	6,424.24
(a) Capital reserve		
Balance at the beginning of the year	24.80	24.80
Balance at the end of the year	24.80	24.80
(b) Securities premium account		
Balance at the beginning of the year	8,742.55	8,726.86
Add: Premium on exercise of options - proceeds received	260.69	15.69
Balance at the end of the year	9,003.24	8,742.55

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

20 Other equity (Contd.)

	As at 31 March 2023	As at 31 March 2022
(c) Share options outstanding account		
Balance at the beginning of the year	379.58	77.66
Add: Employee stock option expenses	354.11	322.80
Less: Transferred to securities premium account on exercise	(170.51)	(15.69)
Less: Transferred to general reserve on vested ESOP lapsed during the year	-	(5.19)
Balance at the end of the year	563.18	379.58
(d) General reserve		
Balance at the beginning of the year	232.88	227.69
Add: Vested ESOP lapsed during the year	-	5.19
Balance at the end of the year	232.88	232.88
(e) Retained earnings		
Balance at the beginning of the year	885.91	599.66
Add: Hyperinflation Restatement upto 1 April 2022 (refer note 53)	748.00	-
Add: Profit / (Loss) for the year	(1,211.59)	409.55
Less: Other comprehensive income / (expense) arising from remeasurement of defined benefit obligations, net of income tax	(22.61)	0.14
Less: Dividend distributed to equity shareholders	-	(123.44)
Add: Transfer from reserve for equity instruments through other comprehensive income	141.81	-
Add: Hyperinflation adjustment (refer note 53)	455.33	-
Balance at the end of the year	996.85	885.91
Note: The Board of Directors in their meeting held on 30 June 2021 recommended dividend of 10%, i.e. ₹ 0.50 per equity share of ₹ 2/- each.		
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	261.52	617.36
Add / (less): Net fair value gain / (loss) on investment in equity instruments at FVTOCI	(142.46)	(400.67)
Less: Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	(141.81)	-
Less: Income tax	(7.78)	(0.29)
Less: Deferred tax	28.80	45.12
Balance at the end of the year	(1.73)	261.52
(g) Treasury reserve		
Balance at the beginning of the year	(57.71)	(89.43)
Add: Employee stock options issued during the year	-	31.72
Balance at the end of the year	(57.71)	(57.71)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

20 Other equity (Contd.)

	As at 31 March 2023	As at 31 March 2022
(h) Translation reserve		
Balance at the beginning of the year	(1,403.72)	(675.54)
Add / (less): Movement during the year	(117.44)	(731.03)
Add / (less): Transfer to non-controlling interest	(18.48)	2.85
Balance at the end of the year	(1,539.64)	(1,403.72)
(i) Gross obligation to NCI under put options		
Balance at the beginning of the year	-	(410.25)
Add: Movement during the year (Refer note 58)	-	410.25
Balance at the end of the year	-	-
(j) Other reserves		
Balance at the beginning of the year (Refer note 58)	(2,732.95)	(2,319.04)
Less: Acquisition of minority interest	-	(413.91)
Balance at the end of the year	(2,732.95)	(2,732.95)

Nature and purpose of Reserves

(a) Capital reserve

Capital reserves pertains to amalgamation of subsidiary company and the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

(b) Securities premium account

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(c) Share options outstanding account

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

(d) General reserve

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

(e) Retained earnings

Retained earnings are the profits / losses that the Group has earned till date, less any transfers to general reserve and dividends or other distributions paid to shareholder.

(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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

20 Other equity (Contd.)

(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 2023	As at 31 March 2022
Balance at the beginning of the year	480.06	486.65
Share of profit / (loss) for the year	(8.18)	38.09
Share of other comprehensive income / (expenses) for the year	18.48	(2.85)
Dividend outflow	(3.02)	(16.77)
Put option derecognised (net) (refer note 58)	-	(20.27)
Effect of foreign currency exchange difference on opening NCI	16.78	(4.79)
Balance at the end of the year	504.12	480.06

22 Non-current borrowings (refer note below)

	As at 31 March 2023	As at 31 March 2022
Secured term loan - at amortised cost		
From bank	1,268.03	862.25
From other parties	3.66	10.23
Unsecured term loan - at amortised cost		
From bank	498.18	274.93
From other parties	58.13	77.14
Total	1,828.00	1,224.55

(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 2023	As at 31 March 2022
A) Secured term loan from banks:			
HSBC Limited: The loan is secured by first Pari Passu charge on the entire fixed assets of the Alivira Animal Health Limited, India (holding company) including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - ultimate holding company, shortfall undertaking from SeQuent Scientific Limited, Charge of assignement on the intercompany loan given to Provet Veteriner Ürünleri San. Ve Tic. A. Ş. and floating charge on the current account of the company.	Repayable in 18 quarterly instalments, commencing from July 2021.	561.90	434.08

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

22 Non-current borrowings (refer note below) (Contd.)

Particulars	Terms of repayment	As at 31 March 2023	As at 31 March 2022
Citi Bank: The loan is secured by first pari-passu charge on the entire fixed assets of the Alivira Animal Health Limited, India including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited	Repayable in 22 quarterly instalments, commencing from December 2022. Repayable fully by December 2027.	338.92	421.35
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully by February 2028.	1.69	1.94
HSBC Limited - The loan is secured by first Pari Passu charge on the entire fixed assets of the Alivira Animal Health Limited, India (holding company) including immovable properties both present and future, Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - ultimate holding company, shortfall undertaking from SeQuent Scientific Limited, Charge of assignement on the intercompany loan given to Provet Veteriner Ürünleri San. Ve Tic. A. Ş. and floating charge on the current account of the company.	Repayable in 18 quarterly instalments, commencing from Jan 2023.	292.72	-
Banc Sabadell: First pari-passu charge on fixed assets of the Karizoo Spain K4 building.	Repayable in 180 monthly instalments, commencing from March 2013. Repayable fully by February 2028.	4.26	4.88
Türkiye Halk Bankası A.Ş - Secured on trade receivable.	Repayable in 36 monthly instalments, commencing from Aug 2023. Repayable fully by Feb 2026.	68.54	-
Total (A)		1,268.03	862.25

Particulars	Terms of repayment	As at 31 March 2023	As at 31 March 2022
B) Unsecured term loan from banks:			
Caixa Bank	Repayable in 20 quarterly instalments, commencing from May 2023. Repayable fully by February 2027.	134.41	-
B.B.V.A.	Repayable in 20 quarterly instalments, commencing from October 2019. Repayable fully by July 2024.	42.66	39.10
B.B.V.A.	Repayable in 20 quarterly instalments, commencing from May 2023. Repayable fully by February 2027.	134.41	126.40

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

22 Non-current borrowings (refer note below) (Contd.)

Particulars	Terms of repayment	As at 31 March 2023	As at 31 March 2022
B.B.V.A.	Repayable in 60 monthly instalments, commencing from August 2020. Repaid fully by July 2025.	15.16	18.45
ABANCA	Repayable in 60 monthly instalments, commencing from May 2021. Repaid fully by May 2026.	14.76	20.23
Türkiye Halk Bankası A.Ş.	Repayable in 30 monthly instalments, commencing from October 2021. Repayable fully by April 2023.	-	0.94
B.B.V.A.	Repayable in 60 monthly Instalments, commencing from May 2018. Repayable fully by April 2023.	-	0.10
Bank Popular	Repayable in 60 monthly Instalments, commencing from December 2018. Repayable fully by November 2023.	-	1.73
B.S.C.H.	Repayable in 60 monthly Instalments, commencing from December 2018. Repayable fully by November 2023.	-	1.73
Bankia	Repayable in 60 monthly Instalments, commencing from June 2019. Repayable fully by May 2024.	1.93	12.65
B.S.C.H.	Repayable in 20 quarterly Instalments, commencing from October 2019. Repayable fully by July 2024.	6.96	19.58
B.S.C.H.	Repayable in 20 quarterly Instalments, commencing from October 2019. Repayable fully by July 2024.	6.96	19.58
Banc Sabadell	Repayable in 60 monthly Instalments, commencing from December 2019. Repayable fully by November 2024.	6.15	14.44
Banc Sabadell	Repayable in 60 monthly Instalments, commencing from November 2022. Repayable fully on October 2027.	32.93	-
Safra Bank	Loan repayable in 24 months installments - 20,27% interest rate per year	8.07	-
Daycoval Bank	Loan repayable in 36 months installments - 7,07%+CDI interest rate per year	93.78	-
Total (B)		498.18	274.93

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

22 Non-current borrowings (refer note below) (Contd.)

Particulars	Terms of repayment	As at 31 March 2023	As at 31 March 2022
C) Secured term loan from other parties:			
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from November 2019. Repayable fully by October 2023.	-	0.51
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from October 2019. Repayable fully by September 2024.	-	3.51
BMW Finance: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from July 2019. Repayable fully by June 2023.	-	2.01
Volkswagen Bank: Hypothecation of vehicle.	Repayable in 36 monthly instalments, commencing from August 2020. Repayable fully by July 2023.	-	0.23
BMW Bank: Hypothecation of vehicle.	Repayable in 48 monthly instalments, commencing from November 2020. Repayable fully by October 2024.	3.66	3.97
Total (C)		3.66	10.23

Particulars	Terms of repayment	As at 31 March 2023	As at 31 March 2022
D) Unsecured term loan from other parties:			
Fitch Participacoes Ltda	Repayable in 108 monthly instalments, commencing from January 2020. Repayable fully by December 2028	36.27	44.78
Judiciary Recovery	The loan is repayable in half yearly 18 instalments, commencing from November 2016. Repayable fully by May 2025.	21.86	32.36
Total (D)		58.13	77.14
Total (A+B+C+D)		1,828.00	1,224.55

(i) The interest on above term loan from Bank and other parties (Citi Bank, Banc Sabadell and Judiciary Recovery) are linked to the respective lender's base rates which are floating in nature. During the year ended 31 March 2023, the interest rates ranges from: 1.35% to 18.95% per annum per annum (31 March 2022: 0.90% to 17.31% per annum).

(ii) There are no long-term borrowings guaranteed by any directors or others as at 31 March 2023 and 31 March 2022.

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

23 Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities (refer note 56)	369.70	418.52
Total	369.70	418.52

24 Other Non current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Others liabilities	-	16.10
Total	-	16.10

25 Non-current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity and termination benefits (refer note 50)	74.68	56.89
Compensated absences (refer note below)	35.42	24.14
Others provision	104.64	82.79
Total	214.74	163.82

Note:

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

26 Deferred tax liabilities / assets (refer note 44)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
- Temporary differences on account of depreciation	72.97	60.00
- Temporary differences on account of hyperinflation	63.55	-
- Others	(13.99)	97.70
Deferred tax liabilities	122.53	157.70
Deferred tax assets		
- Temporary differences on account of depreciation	77.60	14.50
- Expenses allowable on payment basis	56.89	40.05
- Temporary differences on account of hyperinflation	40.40	-
- Unabsorbed depreciation and carried forward of losses	104.84	46.88
- Temporary differences on account of right-of-use assets	15.45	14.46
- Temporary differences of quoted equity instrument valued at fair value	-	(21.02)
- Others	(27.10)	6.15
- MAT credit entitlement	185.54	190.96
Deferred tax assets	453.62	291.98

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

27 Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory remittances	3.70	6.77
Total	3.70	6.77

28 Current borrowings

	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand		
Secured loan		
From banks (refer note (i) to (iv) below)	1,305.32	1,206.00
Unsecured loan		
From banks	515.57	389.43
Current maturities of long-term borrowings *	330.09	328.93
Total	2,150.98	1,924.36

Notes:

- (i) Working capital loan from banks are secured by a exclusive charge on current assets of the company and secured by unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India.
- (ii) Loan repayable on demand from banks in subsidiary Alivira Animal Health Limited, India, are secured by a first pari-passu charge on current assets of the Company, both present and future, and unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited.
- (iii) Working capital loan from banks by two subsidiary companies are secured by unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited.
- (iv) Working capital loan from banks by two subsidiaries company (Provet Veteriner Ürünleri San. Ve Tic. A. Ş. and Topkim Topkapi İlaç premiks Sanayi Ve Ticaret A.Ş.) are secured against trade receivables of said company.
- (v) The interest on above loans are in ranges from 0.75% to 20.27% per annum per annum (31 March 2022: 0.85% to 17.31% per annum).

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

	As at 31 March 2023	As at 31 March 2022
A) Loan from banks		
HSBC Limited	156.44	157.09
Citi Bank	93.65	45.86
Bank Sabadell	1.29	1.25
Türkiye Halk Bankası A.Ş.	0.78	10.86
B.B.V.A.	4.48	29.35
Banco Popular	1.83	2.57
ABANCA	6.65	5.17
Bankia	11.46	10.64
B.S.C.H	29.35	28.17
Banc Sabadell	17.52	8.50
BMW bank	0.53	-
Volkswagen Bank	3.96	-
Total A	327.95	299.46



Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

28 Current borrowings (Contd.)

	As at 31 March 2023	As at 31 March 2022
B) Loan from Others		
BMW finance	2.13	-
ICF	-	1.86
Dell Bank International	-	1.45
Others	-	2.77
Fitch Participacoes Ltda	-	10.14
Judiciary Recovery	-	13.25
Total B	2.13	29.47
Total (A+B)	330.09	328.93

29 Trade payables

	As at 31 March 2023	As at 31 March 2022
Trade payables	2,443.40	2,580.45
Total	2,443.40	2,580.45

Notes:

- (i) Trade payables (other than due to micro and small enterprises) are non-interest bearing and are normally settled on 90 to 120 days.
- (ii) The Group's exposure to currency and liquidity risk related to trade payable is disclosed in note 52.4.
- (iii) Trade payable ageing report is as below

As on 31 March 2023

Particulars	Outstanding for following periods from due date of Payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
-Micro enterprises and small enterprises	-	74.02	21.79	-	-	-	95.81
-Others	116.59	1,066.57	956.07	71.90	18.73	114.48	2,344.34
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	0.96	0.98	0.19	1.12	3.25
Total	116.59	1,140.58	978.83	72.88	18.92	115.60	2,443.40

As on 31 March 2022

Particulars	Outstanding for following periods from due date of Payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
-Micro enterprises and small enterprises	23.29	100.95	7.06	-	-	-	131.30
-Others	210.08	1,957.31	259.17	15.50	2.31	0.14	2,444.51
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	1.35	3.29	-	-	4.64
-Others	-	-	-	-	-	-	-
Total	233.37	2,058.26	267.58	18.79	2.31	0.14	2,580.45

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

30 Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Current lease liabilities (refer note 56)	87.27	81.57
Total	87.27	81.57

31 Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Interest accrued and due on borrowings	5.64	6.18
Payables on purchase of property, plant and equipments	63.57	23.97
Unclaimed dividends	0.29	0.30
Foreign exchange forward contracts at FVTPL	6.89	8.42
Other current liabilities	34.44	169.28
Total	110.83	208.15

32 Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity and termination benefits (refer note 50)	24.70	32.30
Compensated absences (Refer note below)	29.66	33.60
Others provision	109.84	7.15
Total	164.20	73.05

Note:

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

33 Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Income tax payable (net of advance tax : ₹ 292.21) (31 March 2022 : ₹ 216.23)	63.41	82.34
Total	63.41	82.34

34 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory remittances	89.21	115.96
Advance from customers	54.55	33.63
Others	96.81	21.70
Total	240.57	171.29

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

35 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	14,061.09	13,959.44
Sale of services	121.66	142.28
	14,182.75	14,101.72
Other operating revenues		
Sale of scrap	9.82	6.07
Duty drawback and other export incentives	16.52	12.78
Other miscellaneous income	-	7.59
Total	14,209.09	14,128.16

Disaggregated revenue disclosures

The Group disaggregate the revenue based on geographic locations and it is disclosed under note 45 - Segment reporting.

Trade receivables and contract balances

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Group transfers control over the product to the customer.

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	13,849.57	14,392.23
Less: trade discounts, sales and expiry return	333.18	290.51
Sale of products and services	14,182.75	14,101.72

36 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income (refer note (i) below)	12.09	2.41
Net gain on sale of current investments	0.51	3.18
Dividend income	0.01	1.66
Net Gain on foreign currency transaction and translation	-	63.03
Profit on sale of property, plant and equipment	20.42	-
Miscellaneous income	30.87	38.17
Total	63.90	108.45

(i) Interest income comprises:

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on:		
Bank deposits	7.25	1.63
Interest on income tax refund	-	0.16
Other interest	4.84	0.62
Total	12.09	2.41

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

37.a Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	1,290.46	917.94
Effect of Hyperinflation (refer note 53)	125.55	-
Effect of foreign currency exchange differences	(52.94)	(215.46)
Add: Purchases	6,980.19	7,280.61
Add: Transfer on account of business combination (refer note 54)	-	12.59
Less: Closing stock	1,412.28	1,290.46
Cost of materials consumed	6,930.98	6,705.22

37.b Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	1,217.70	1,718.89
Total	1,217.70	1,718.89

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

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Work-in-progress and intermediates	567.84	414.94
Finished goods (including stock-in-trade)	1,616.30	1,306.68
Effect of Hyperinflation (refer note 53)	13.47	-
	2,197.61	1,721.62
Transfer on account of business combination (refer note 54)		
Finished goods (including stock-in-trade)	-	0.94
	-	0.94
Effect of foreign currency exchange differences		
Work-in-progress and intermediates	(0.14)	(4.77)
Finished goods (including stock-in-trade)	34.64	(27.80)
	34.50	(32.57)
Closing stock		
Work-in-progress and intermediates	489.14	567.84
Finished goods (including stock-in-trade)	1,553.98	1,616.30
	2,043.12	2,184.14
Net (increase) / decrease	188.99	(494.15)

38 Employee benefit expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	1,828.73	1,629.67
Contributions to provident fund, gratuity and other funds (refer note 50)	276.53	259.95
Share-based payment to employees (refer note 51)	354.11	333.01
Staff welfare expenses	124.48	91.05
Total	2,583.85	2,313.68

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

39 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	272.70	107.51
Other borrowing costs	57.98	22.65
Interest expense on leases liabilities (refer note 56)	24.49	27.58
Total	355.17	157.74

40 Depreciation and amortisation expenses

	Year ended 31 March 2023	Year ended 31 March 2022 (Restated) (refer note 54)
Depreciation on property, plant and equipment (refer note 3a)	381.80	368.23
Depreciation on ROU assets (refer note 3b)	70.16	73.17
Amortisation on intangible assets (refer note 5)	104.97	74.01
Total	556.93	515.41

41 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Power, water and fuel	424.54	338.59
Consumables	222.91	175.81
Conversion and processing charges	298.69	435.79
Freight and forwarding	298.65	294.36
Rent	34.04	19.94
Rates and taxes	29.31	58.86
Communication expenses	21.65	20.24
Repairs and maintenance		
Building	36.20	21.52
Machinery	121.03	115.87
Others	86.21	81.42
Insurance	79.18	64.51
Travelling and conveyance	154.36	89.91
Advertisement and selling expenses	189.22	188.18
Commission on sales	92.11	88.58
Legal and professional fees	439.43	415.56
Analytical charges	86.33	106.30
Bad loans and advances written off	0.12	1.16
Bad trade receivables written off	1.83	3.26
Allowances for doubtful trade receivables	7.56	(0.15)
Loss on sale of assets (net)	-	0.69
Property, plant and equipment written off	1.61	0.34
Net loss on foreign currency transactions and translation	114.46	-
Miscellaneous expenses	260.73	269.78
Total	3,000.17	2,790.52

42 Net Monetary Loss on Hyperinflationary economy

	Year ended 31 March 2023	Year ended 31 March 2022
Net Monetary Loss on Hyperinflationary economy (refer note 53)	157.95	-
Total	157.95	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

43 Exceptional Items

	Year ended 31 March 2023	Year ended 31 March 2022
A) Loss by fire in, subsidiary, Alivira Animal Health Limited, India	31.98	-
B) Restructuring Costs with respect to subsidiaries, Bremer Pharma GmbH and Alivira France S.A.S	411.86	-
C) Goodwill Impairment	204.09	-
Total	647.93	-

Note

- A) The Group has recognized an estimated loss of book value of assets (Property, Plant and Equipment and Inventory) amounting to ₹ 31.98 Millions due to an incident of fire at Company's wholly owned subsidiary Alivira Animal Health Limited's (Alivira) API facility in Visakhapatnam on 07 May 2022. The manufacturing activities were temporarily disrupted during the first quarter and were resumed to normalcy. Alivira has submitted the insurance claim and the same is under process with Insurance Company.
- B) During the Year ended March 31, 2023, the management has decided to restructure the operations of its subsidiary, Bremer Pharma GmbH, Germany by discontinuing the manufacturing facility and initiated liquidation procedures for its subsidiary Alivira France S.A.S. Consequently, following restructuring costs were recognized in the consolidated financial statements.
- (i) Asset write down of ₹ 299.51 Million in respect of estimated loss on current and non-current assets;
- (ii) Restructuring costs of ₹ 112.35 Million which includes estimated costs towards notice and severance payments to employees, consultancy charges, liquidation costs, etc.
- C) During the year, the Group has performed its annual impairment testing for carrying value of goodwill allocated in the respective Cash Generating Units (CGU). Accordingly, based on an independent valuer's report, the group has provided for impairment of goodwill amounting to ₹ 204.09 million for Turkey CGU.

44 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 2023	Year ended 31 March 2022
i) Income tax expense recognised in the consolidated statement of profit and loss		
Current tax (I)	78.39	257.28
Deferred tax charge		
Origination and reversal of temporary differences (II)	(231.96)	(55.32)
Provision for tax of earlier years written back (III)	(3.24)	(120.30)
Total (IV = I+II+III)	(156.81)	81.66
ii) Tax on other comprehensive income		
Current tax	8.80	0.16
Deferred tax charge / (income)	(28.80)	(45.12)
Total (V)	(20.00)	(44.96)
Total (IV+V)	(176.81)	36.70

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

44 Reconciliations of tax expenses and details of deferred tax balances (Contd.)

B) Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Group is as follows:

	As at 31 March 2023	As at 31 March 2022
Profit / (Loss) before tax	(1,376.58)	529.30
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	(400.86)	154.13
Differences due to:		
- Exempted income	(7.22)	(19.87)
- Disallowed expenses	0.08	1.88
- Effect of additional allowance net of MAT Credit	-	(5.91)
- Effect of deferred tax on brought forward business losses	6.25	(28.29)
- Effect of change in tax rate	-	-
- Different tax rate in subsidiary companies	(19.20)	107.26
- Provision for tax of earlier years written back	(3.24)	(120.30)
- Deferred Tax not recognised on exceptional items	188.68	-
- Tax credit not recognised due to lack of reasonable certainty	77.31	-
- Others	1.39	(7.24)
Income tax expenses charged to the consolidated statement of profit and loss	(156.81)	81.66
Effective tax rate	11.39%	15.43%

C) Movement in deferred tax assets and liabilities

	As at 01 April 2022 (Restated) (refer note 54)	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2023
- Temporary differences on account of depreciation	(143.35)	147.98	-	4.63
- Expenses allowable on payment basis	40.05	15.79	1.05	56.89
- Right-of-use assets	14.46	1.02	(0.02)	15.45
- Temporary differences of quoted equity instrument valued at fair value	(21.02)	-	21.02	-
- Temporary differences on account of hyperinflation	-	(23.15)	-	(23.15)
- Other	6.30	23.66	(43.07)	(13.11)
Tax assets / (liabilities)	(103.56)	165.30	(21.02)	40.71
- Unabsorbed depreciation and carried forward of losses	46.88	57.96	-	104.84
- MAT credit entitlement	190.96	2.36	(7.78)	185.54
Total	134.28	225.62	(28.80)	331.09
Closing balance at the end of the year	134.28	225.62	(28.80)	331.09

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

44 Reconciliations of tax expenses and details of deferred tax balances (Contd.)

	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2022 (Restated) (refer note 53)
Deferred tax asset (net)				
- Temporary differences on account of depreciation	(51.02)	5.52	-	(45.50)
- Expenses allowable on payment basis	39.07	2.78	(1.80)	40.05
- Right-of-use assets	13.00	1.46	-	14.46
- Temporary differences of quoted equity instrument valued at fair value	(67.78)	-	46.76	(21.02)
- Other	(38.74)	45.04	-	6.30
Tax assets / (liabilities)	(105.47)	54.80	44.96	(5.71)
- Unabsorbed depreciation and carried forward of losses	38.60	8.28	-	46.88
- MAT credit entitlement	202.64	(11.68)	-	190.96
Total	135.77	51.40	44.96	232.13
- Less Deferred tax liability on intangible assets acquired in Business combination (refer note 54)				(97.85)
Total	135.77	51.40	44.96	134.28

45 Segment Reporting

A. Primary segment (Business segment)

Segment Reporting

Operating segment are reported in a manner consistent with the Internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee of the Group.

The Group is mainly engaged in the business of veterinary healthcare which as per Ind AS 108 - "Operating segments" is considered the only business segment and all other activities of the Group are incidental to this business segment."

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 2023	Year ended 31 March 2022
I Revenue from operations		
Europe	5,755.11	5,942.38
Asia	4,763.65	3,899.46
Rest of the world	3,690.32	4,286.32
Total	14,209.09	14,128.16

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

45 Segment Reporting (Contd.)

	Year ended 31 March 2023	Year ended 31 March 2022
II Total assets		
Europe	4,159.67	4,878.23
Asia	6,680.78	6,414.27
Rest of the world	3,837.70	2,442.29
Total segment assets	14,678.15	13,734.79
Unallocated (^)	613.08	774.92
Total	15,291.23	14,509.71
III Cost incurred during the year to acquire segment assets		
Europe	0.07	147.22
Asia	709.50	183.47
Rest of the world	63.14	310.26
Total	772.71	640.95

Information about major customer

For information about major customer, refer note 52.3

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).

46 Earnings Per Share

	Year ended 31 March 2023	Year ended 31 March 2022
Basic earnings per share (in ₹)	(4.88)	1.65
Diluted earnings per share (in ₹)	(4.88)	1.63
(Loss) / Profit attributable to equity shareholders		
(Loss) / Profit for the year attributable to equity holders	(1,211.59)	409.55
(Loss) / Profit attributable to equity shareholders for basic and diluted earnings	(1,211.59)	409.55
Weighted average number of equity shares		
Equity shares at beginning of the year	24,83,70,995	24,83,70,995
Weighted average no. of shares issued during the year	10,62,500	-
Weighted average effect of treasury shares	(9,62,250)	(9,62,250)
Weighted average number of equity shares at end of the year for basic EPS	24,84,71,245	24,74,08,745
Share options*	16,43,156	33,24,501
Weighted average number of equity shares at end of the year for diluted EPS	25,01,14,401	25,07,33,246

*As the share options have an anti-dilutive effect on diluted EPS, basic EPS has been considered as the diluted EPS.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

47 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2023	As at 31 March 2022
Contingent liabilities		
a. Claims against the Group not acknowledged as debts #*	9.63	16.66
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible and Intangible assets	79.86	274.50
- Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary	537.65	711.14
- Corporate Guarantee given to lenders for loan facility availed by step down subsidiary	836.00	852.92
- Corporate Guarantee given to lenders for loan facility availed by holding company	380.00	380.00
b. The Company has given a letter of support to its wholly owned subsidiary Alivira Animal Health Limited, Ireland to continue to assist in whatever manner that it can to financially support the operations and cash flow requirements of the subsidiary for the foreseeable future.		

The Company has a manufacturing plant at Vizag, Andhra Pradesh wherein effluent treatment services are provided by Ramky Pharamcity India Private Limited (Lessor for the lease hold property). The lessor has raised escalated demand of ₹ 49.56 Millions towards Infrastructure development cost out of which an interim demand of ₹ 32.90 Millions has been paid and charged to the statement of Profit & Loss in the earlier years, further ₹ 7.03 Millions is paid during the current financial year. The balance amount of ₹ 9.63 Millions is under discussion by lessor with Andhra Pradesh Industrial Infrastructure Corporation and has been disclosed as contingent liability in the financial statements.

* Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the appellate authority and the Group's right for future appeal before the judiciary.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

48 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 % of consolidated assets	Amount		As % of other comprehensive income	Amount			
			As at 31 March 2022			As % of consolidated profit / (loss)	Amount		As % of Total comprehensive income	Amount
Parent										
1 SeQuent Scientific Limited			140.67%	10,410.88	33.06%	147.99	32.50%	(353.17)	32.11%	(205.18)
Indian Subsidiaries										
2 Alivira Animal Health Limited	India	100.00%	70.64%	5,228.14	31.15%	139.46	(0.23%)	2.46	(22.21%)	141.92
3 SeQuent Research Limited	India	100.00%	1.20%	89.11	6.10%	27.30	(0.04%)	0.47	(4.35%)	27.77
4 Elysian Life Sciences Private Limited (refer note 1)	India	-	-	-	-	-	-	-	-	-
Foreign Subsidiaries										
5 Alivira Animal Health Limited, Ireland	Ireland	100.00%	51.55%	3,815.18	(12.63%)	(56.52)	-	-	8.85%	(56.52)
6 Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	Turkey	100.00%	1.56%	115.48	(28.46%)	(127.42)	0.34%	(3.67)	20.52%	(131.09)
7 Topkim Topkapi Ilac premiks Sanayi Ve Ticaret A.Ş.	Turkey	100.00%	4.91%	363.35	32.10%	143.71	0.15%	(1.67)	(22.23%)	142.04
8 Vila Viña Participacions S.L.	Spain	60.00%	4.08%	301.68	2.75%	12.32	-	-	(1.93%)	12.32
9 Laboratorios Karizoo, S.A.	Spain	60.00%	10.07%	745.43	7.31%	32.73	-	-	(5.12%)	32.73
10 Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	60.00%	0.76%	56.51	0.38%	1.71	-	-	(0.27%)	1.71
11 Comercial Vila Veterinaria De Lleida S.L.	Spain	60.00%	1.20%	88.53	2.47%	11.07	-	-	(1.73%)	11.07
12 Phytotherapeutic Solutions S.L.	Spain	60.00%	2.26%	167.60	4.74%	21.22	-	-	(3.32%)	21.22
13 Bremer Pharma GmbH	Germany	100.00%	(3.39%)	(251.22)	(35.97%)	(161.00)	-	-	25.20%	(161.00)
14 Fendigo SA	Belgium	100.00%	3.54%	261.69	21.40%	95.79	-	-	(14.99%)	95.79
15 Fendigo BV	Netherlands	100.00%	0.36%	26.43	3.53%	15.82	-	-	(2.48%)	15.82
16 N-Vet AB	Sweden	96.10%	1.28%	94.87	3.00%	13.44	-	-	(2.10%)	13.44

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

48 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013. (Contd.)

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 % of consolidated assets	Amount		As % of other comprehensive income	Amount			
			As at 31 March 2022			As % of consolidated profit / (loss)	Amount		As % of Total comprehensive income	Amount
17 Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	(1.89%)	(139.61)	14.06%	62.92	-	-	(9.85%)	62.92
18 Evanvet Distribuidora De Produtos Veterinarios Ltda (formerly known as Evance Saude Animal Ltda) (refer note 2)	Brazil	100.00%	2.66%	196.99	27.54%	123.30	-	-	(19.30%)	123.30
19 Evance Saude Animal Ltda (formerly known as Interchange Veterinária Indústria E Comércio Ltda (refer note 2))	Brazil	100.00%	(0.02%)	(1.34)	6.17%	27.61	-	-	(4.32%)	27.61
20 Nourrie Saúde e Nutrição Animal Ltda (refer note 3)	Brazil	100.00%	0.41%	30.11	1.13%	5.04	-	-	(0.79%)	5.04
21 Alivira Animal Health USA LLC	USA	100.00%	(0.11%)	(8.15)	(11.35%)	(50.81)	-	-	7.95%	(50.81)
22 Alivira Italia S.R.L.	Italy	95.00%	(0.14%)	(10.54)	(0.58%)	(2.58)	-	-	0.40%	(2.58)
23 Alivira France S.A.S.	France	75.00%	(0.01%)	(0.70)	-	-	-	-	-	-
24 Alivira Animal Health UK Ltd	United Kingdom	100.00%	0.04	0.04	(0.33%)	(1.49)	-	-	(1.49)	(1.49)
Total				21,580.46		481.61		(355.58)		126.03
Adjustments arising out of consolidation				(198.07%)	(16.10%)	(72.06)	67.01%	(728.17)	125.24%	(800.23)
Non-controlling interest in all subsidiaries			6.49%	480.06	8.51%	38.09	0.26%	(2.85)	(5.52%)	35.24
Total				7,401.04		447.64		(1,086.60)		(638.96)

Notes:

- During the previous year, Elysian Life Sciences Private Limited (wholly owned subsidiary) had applied for strike off of their name from register of Registrar of Company - Bangalore. The Registrar of Company vide letter dated 15 November 2021 have removed the name from Register of Companies and the said company stands dissolved.
- During the previous year, the Company's step down subsidiary, Alivira Saude Animal Brasil Participacoes Ltda, Brazil has acquired additional 30% stake.
- During the previous year, the Company's step down subsidiary, Evanvet Distribuidora De Produtos Veterinarios Ltda, Brazil has acquired additional 100% stake in Nourrie Saúde e Nutrição Animal Ltda.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

48 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013. (Contd.)

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 2023	As at 31 March 2022	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of comprehensive income	Amount	As % of comprehensive income
		As at 31 March 2023	As at 31 March 2022	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of comprehensive income	Amount	As % of comprehensive income
Parent												
1 SeQuent Scientific Limited				141.27%	10,583.59	4.98%	(60.80)	46.09%	(120.53)	12.24%	(181.33)	
Indian Subsidiaries												
2 Alivira Animal Health Limited	India	100.00%	100.00%	69.29%	5,190.95	11.83%	(144.30)	(0.47%)	1.24	9.66%	(143.06)	
3 SeQuent Research Limited	India	100.00%	100.00%	1.00%	74.63	1.18%	(14.42)	0.02%	(0.06)	0.98%	(14.48)	
Foreign Subsidiaries												
5 Alivira Animal Health Limited, Ireland	Ireland	100.00%	100.00%	57.27%	4,290.40	130.38%	(1,590.29)	-	-	107.36%	(1,590.29)	
6 Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	Turkey	100.00%	100.00%	3.92%	293.40	7.07%	(86.23)	6.81%	(17.82)	7.02%	(104.05)	
7 Topkim Topkapi Ilac premiks Sanayi Ve Ticaret A.Ş.	Turkey	100.00%	100.00%	3.06%	229.56	26.68%	(325.42)	2.63%	(6.89)	22.43%	(332.31)	
8 Vila Viña Participacions S.L.	Spain	60.00%	60.00%	4.97%	372.66	(0.53%)	6.49	-	-	(0.44%)	6.49	
9 Laboratorios Karizoo, S.A.	Spain	60.00%	60.00%	10.57%	791.71	3.66%	(44.64)	-	-	3.01%	(44.64)	
10 Laboratorios Karizoo, S.A. DE C.V. (Mexico)	Mexico	60.00%	60.00%	1.10%	82.09	(0.26%)	3.13	-	-	(0.21%)	3.13	
11 Comercial Vila Veterinaria De Lleida S.L.	Spain	60.00%	60.00%	1.25%	94.00	(0.02%)	0.28	-	-	(0.02%)	0.28	
12 Phytotherapeutic Solutions S.L.	Spain	60.00%	60.00%	2.90%	217.44	(3.41%)	41.60	-	-	(2.81%)	41.60	
13 Bremer Pharma GmbH	Germany	100.00%	100.00%	(12.89%)	(965.50)	54.26%	(661.87)	-	-	44.68%	(661.87)	
14 Fendigo SA	Belgium	100.00%	100.00%	4.21%	315.53	(9.13%)	111.37	-	-	(7.52%)	111.37	
15 Fendigo BV	Netherlands	100.00%	100.00%	0.51%	38.05	(2.32%)	28.25	-	-	(1.91%)	28.25	
16 N-Vet AB	Sweden	96.10%	96.10%	1.13%	84.94	(1.25%)	15.27	-	-	(1.03%)	15.27	
17 Alivira Saude Animal Brasil Participacoes Ltda	Brazil	100.00%	100.00%	(2.48%)	(185.50)	4.22%	(51.50)	-	-	3.48%	(51.50)	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

48 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013. (Contd.)

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 2023	As at 31 March 2022	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of comprehensive income	Amount	As % of comprehensive income
		As at 31 March 2023	As at 31 March 2022	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of other comprehensive income	Amount	As % of comprehensive income	Amount	As % of comprehensive income
18 Evanvet Distribuidora De Produtos Veterinarios Ltda (formerly known as Evance Saude Animal Ltda)	Brazil	100.00%	100.00%	2.58%	193.01	(9.92%)	120.99	-	-	(8.17%)	120.99	
19 Evance Saude Animal Ltda (formerly known as Interchange Veterinária Indústria E Comércio Ltda	Brazil	100.00%	100.00%	(3.21%)	(240.18)	(12.75%)	155.54	-	-	(10.50%)	155.54	
20 Nourrie Saúde e Nutrição Animal Ltda (refer note 1)	Brazil	0.00%	100.00%	-	-	-	-	-	-	-	-	
21 Alivira Animal Health USA LLC	USA	100.00%	100.00%	0.03%	1.98	3.09%	(37.74)	-	-	2.55%	(37.74)	
22 Alivira Italia S.R.L.	Italy	95.00%	95.00%	(0.22%)	(16.57)	0.41%	(5.06)	-	-	0.34%	(5.06)	
23 Alivira France S.A.S.	France	75.00%	75.00%	(0.22%)	(16.79)	1.32%	(16.05)	-	-	1.08%	(16.05)	
24 Alivira Animal Health UK Ltd	United Kingdom	100.00%	100.00%	0.04	0.04	-	-	-	-	-	-	
Total					21,429.44		(2,555.40)		(144.05)		(2,699.45)	
Adjustments arising out of consolidation				(192.76%)	(14,441.66)		(1,327.44)	51.98%	(135.92)	98.79%	(1,463.36)	
Non-controlling interest in all subsidiaries				6.73%	504.12	0.67%	(8.18)	(7.07%)	18.48	(0.70%)	10.30	
Total					7,491.90		(1,219.77)		(261.49)		(1,481.26)	

Notes:

- During the current year (effective 01 July 2022), Nourrie has been amalgamated with Alivira Saude Animal Ltda, Brazil (wholly-owned subsidiary of the Company) and accordingly amortisation of intangible assets.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

49 Related party transactions

Holding Company

CA Harbor Investments

49.1 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 (Upto 10 April 2022)
 Mr. Sharat Narasapur, Joint Managing Director
 Mr. Tushar Mistry, Chief Financial Officer (Upto 31 May 2022)
 Mr. Rahul Mukim, Non-Executive Director (Upto December 6, 2022)
 Dr. Kamal K Sharma, Independent Director
 Mr. Milind Sarwate, Independent Director
 Mr. Neeraj Bharadwaj, Non-Executive Director
 Mr. Gregory Andrews John, Non-Executive Director
 Dr. Fabian Kausche, Non-Executive Director
 Dr. Kausalya Santhanam, Independent Director
 Mr. Rajaram Narayanan, Chief Executive Officer & Managing Director (From 11 April 2022)
 Mr. Patri Venkat Raghavendra Rao, Chief Financial Officer (From 25 July 2022)
 Mr. Krunal Shah, Company Secretary

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:

49.2 Transactions for the year

i) Transactions with KMP and their relatives

	Year ended 31 March 2023	Year ended 31 March 2022
Managerial remuneration (*)		
Mr. Manish Gupta		
Short-term benefits	1.05	25.07
Termination benefits	11.50	-
Share-based payments	-	68.08
Total	12.55	93.15
Mr. Rajaram Narayan		
Short-term benefits	39.17	-
Share based payments	-	-
Total	39.17	-
Mr. Sharat Narsapur		
Short-term benefits	14.76	11.76
Share-based payments	-	3.69
Total	14.76	15.45
Mr. Tushar Mistry		
Short-term benefits	1.43	7.90
Termination benefits	2.58	-
Share-based payments	-	2.58
Total	4.00	10.48
Mr. P.V. Raghavendra Rao #		
Short-term benefits	8.23	-
Total	8.23	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

49 Related party transactions (Contd.)

	Year ended 31 March 2023	Year ended 31 March 2022
<i>Directors sitting fees</i>		
Dr. Kamal K Sharma	2.30	3.20
Mr. Milind Sarwate	1.80	2.50
Mr. Gregory Andrews John	0.50	0.60
Dr. Fabian Kausche	0.50	0.60
Dr. Kausalya Santhanam	1.00	0.70
	6.10	7.60
<i>Directors Commission</i>		
Dr. Kamal K Sharma	-	0.39
Mr. Milind Sarwate	-	0.39
Mr. Gregory Andrews John	-	0.78
Dr. Fabian Kausche	-	0.78
Dr. Kausalya Santhanam	-	0.39
	-	2.75

(#) The managerial remuneration is approved by the members in the Annual General Meeting on 20th September, 2022.

49.3 Balance as at balance sheet date

There is no balance as on balance sheet.

(*) 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.

50 Employee benefit plans

(i) Defined contribution plans:

The Group makes Provident Fund (PF) and Employee State Insurance scheme (ESIC) contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 44.80 (31 March 2022 : ₹ 41.94) for PF contributions and ₹ 3.53 (31 March 2022 : ₹ 3.67) for ESIC contributions in the consolidated statement of profit and loss. As at 31 March 2022, contribution of ₹ 7.50 (31 March 2022 : ₹ 7.34) 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 ₹ 122.84 (31 March 2022 : ₹ 197.66) 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 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expense/ (income) recognised in the statement of profit and loss:				
Current service cost	10.87	5.22	12.82	4.88
Net interest cost	3.57	2.99	3.65	2.12
Expected return on plan assets	-	-	(0.12)	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Employee benefit plans (Contd.)

	31 March 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Component of defined benefit costs recognised in the statement of profit and loss	14.44	8.21	16.35	7.00
Expense / (income) recognised in other comprehensive income:				
Return on plan assets (excluding amounts included in net interest cost)	-	-	1.86	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(1.11)	(1.82)	-	4.23
Actuarial (gains) / losses arising from changes in financial assumptions	(1.02)	10.55	0.28	2.03
Actuarial (gains) / losses arising from changes in experience adjustments	(0.99)	15.97	(2.17)	(0.92)
Actuarial (gains) / losses arising from adjustment to opening fair value	-	-	0.19	-
Component of defined benefit costs recognised in the other comprehensive income	(3.12)	24.71	0.16	5.34
Total	11.32	32.92	16.51	12.34

Net defined benefit obligation as reflected in balance sheet:

	31 March 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Present value of defined benefit obligation (DBO)	56.23	43.15	58.74	18.23
Net liability recognised in balance sheet	56.23	43.15	58.74	18.23

A. Movements in the present value of the defined benefit obligation are as follows:

	31 March 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening balance	58.74	18.23	58.64	15.72
Current service cost	10.87	5.22	12.82	4.88
Interest cost	3.57	2.99	3.65	2.12
Liability transferred in / acquisitions	-	(4.27)	0.16	-
Benefits paid	(13.84)	(0.46)	(9.02)	(1.15)
Actuarial loss/ (gain) arising from:				
Actuarial (gains) / losses arising from changes in demographic assumptions	(1.11)	(1.82)	(5.63)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(1.02)	10.55	0.28	2.03
Actuarial (gains) / losses arising from changes in experience adjustments	(0.99)	15.97	(2.16)	(0.92)
Exchange gain or loss	-	(3.27)	-	(4.45)
Closing defined benefit obligation	56.23	43.15	58.74	18.23

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Employee benefit plans (Contd.)

B. Movements in the fair value of plan assets are as follows:

	31 March 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Opening fair value of plan assets	-	-	1.93	-
Expected return on plan assets	-	-	0.12	-
Actuarial gain / (loss)	-	-	(2.05)	-
Remeasurement loss / (gain):	-	-	-	-
Closing fair value of plan assets	-	-	-	-
Estimate amount of contribution in immediate next year	-	-	12.75	-

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 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Financial assumption:				
Discount rate	7.36%	10.90%	6.51% - 6.67%	18.08%
Salary escalation rate	7.00%	44.00%~ 34.00%	8.00%	15.00%
Demographic assumption:				
Withdrawal rate	12.00% ~ 15.00%	20.00%	8.00% to 12.00%	10%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58	58 - 60	58	58-60

The rate used to discount post-employment benefit obligation (both funded and unfunded) shall be determined by reference to market yields at the end of each reporting period on government bonds.

	31 March 2023		31 March 2022	
	Gratuity	Termination benefits	Gratuity	Termination benefits
Expected future cash flows				
Within 1 year	7.28	11.92	13.19	6.92
2-5 years	31.59	20.71	23.61	17.11
6-10 years	25.35	10.69	23.09	9.31

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Employee benefit plans (Contd.)

	Impact on the defined benefit obligation			
	Gratuity		Termination benefits	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 March 2023				
Discounting rate	(2.71)	2.95	22.45	(21.08)
Salary escalation rate	2.93	(2.74)	(4.37)	3.81
31 March 2022				
Discounting rate	(3.14)	3.15	(19.81)	20.69
Salary escalation rate	3.11	(3.16)	2.43	(2.53)

51 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), as approved by the Shareholders of the Company on 24 May 2010 and it was further modified by the member on 24 September 2015. Further the company has implemented "SeQuent Scientific Employees Stock Option Plan 2020" (SeQuent ESOP 2020) as approved by shareholders on 17 January 2021.

Employees Stock Option Plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period		
30 May 2013 (*)	27,00,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years		
12 February 2014 (*)	5,00,000				
28 May 2014 (*)	9,00,000				
12 November 2014 (*)	10,00,000				
11 January 2016 (*)	5,00,000				
14 May 2016	3,45,000				
23 May 2017	50,000				
02 November 2018	26,60,000	Option granted would vest over a maximum period of 1 years from the date of the grant	2 years		
03 July 2019	11,35,000				
21 September 2020 (#)	1,11,600				
01 March 2021	73,50,000			The options granted would normally vest over a maximum period of 5 to 7 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 Years
22 February 2022	10,00,000				
11 April 2022	71,00,000				
25 July 2022	5,00,000				

*Pursuant to sub-division of 1 equity share of ₹10 each into 5 equity shares of ₹2 each on 26 February 2016, the no. of options have been adjusted proportionately.

The expense on Employee Stock Option plan debited to the consolidated statement of profit and loss during 2022-23 is ₹354.11 (31 March 2022: ₹333.01). The entire amount pertains to equity-settled employee share-based payment plans.

During the previous year, the Group has revised the estimate, based on legal advice, in respect of number of Employees Stock Options Plan (ESOP) expected to vest under ESOP Scheme 2020, consequent to resignation of the Managing Director and Chief Financial Officer during the previous financial year. Accordingly, the Group has reversed the employee benefit expense amounting to ₹6.78 million during the previous financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

51 Share-based payment arrangements: (Contd.)

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted on 11 April 2022 ranges from ₹ 73.60 to ₹108.30 and granted on 25 July 2022 ranges from ₹ 47.44 to ₹ 66.80 (22 February 2022 ranges from ₹63.58 to ₹ 85.45) 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 2023	31 March 2023	31 March 2022
Grant date	25 July 2022	11 April 2022	22 February 2022
Grant date share price	118.50	149.30	139.70
Exercise price	86.00	86.00	86.00
Expected volatility	45.24% to 48.18%	50.9% to 55.2	44.41%
Option life	1.5 to 5 years	1.5 - 7.5 years	3.10 year
Dividend yield	0.50	0.20	0.50
Risk-free interest rate	6.57% to 7.2%	4.74% - 6.5%	5.50%

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 2023		31 March 2022	
	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	34,52,500	85.41	79,35,900	82.60
Granted during the year	76,00,000	86.00	10,00,000	86.00
Exercised during the year	-	-	15,91,500	70.71
Forfeited during the year	80,000	86.00	38,91,900	85.85
Options outstanding at the end of the year	1,09,72,500	85.81	34,52,500	85.41

D. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 85.81 (as at 31 March 2022 : ₹ 85.41) and weighted average remaining contractual life of 6.5 years (31 March 2022 : 2.86 years).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments

The carrying value / fair value of financial instruments by categories are as follows:

	Carrying value and fair value	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Measured at amortised cost		
Loans	3.35	2.52
Trade receivables	3,409.62	3,292.41
Cash and cash equivalents	415.74	574.96
Other bank balances	1.72	17.57
Other financial assets	167.41	117.24
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (quoted)	0.46	369.24
Measured at fair value through profit or loss (FVTPL)		
Investments in mutual fund	-	12.99
Other investments	0.05	0.05
Foreign exchange forward contracts at FVTPL	6.43	2.76
Total	4,004.78	4,389.74
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	3,978.98	3,148.91
Trade payables	2,443.40	2,580.45
Lease liabilities	456.97	500.09
Other financial liabilities	103.94	215.83
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	6.89	8.42
Total	6,990.18	6,453.70

52.1 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 2023 and 31 March 2022:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss:					
Derivative financial assets (refer note 16):					
Foreign currency forward contracts	31 March 2023	6.43	-	6.43	-
Foreign currency forward contracts	31 March 2022	2.76	-	2.76	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value through profit or loss:					
Derivative financial liabilities (refer note 31):					
Foreign currency forward contracts	31 March 2023	6.89	-	6.89	-
Foreign currency forward contracts	31 March 2022	8.42	-	8.42	-
Financial assets / financial liabilities designated at fair value through other comprehensive income (refer notes 6,11 and 31):					
Investment in equity instruments	31 March 2023	0.51	0.46	0.05	-
Investment in equity instruments	31 March 2022	369.29	369.24	0.05	-
Financial assets designated at fair value through profit or loss (refer note 11):					
Investment in mutual funds	31 March 2023	-	-	-	-
Investment in mutual funds	31 March 2022	12.99	-	12.99	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

- Refer note 2(xviii) under significant accounting policy for recognition and measurement of financial assets.
- 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.
- 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.

52.2 Financial risk management objective and policies

"The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and deposits that derive directly from its operations. The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Group's activities makes it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. The Group's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Group's financial performance.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange / Regulations. The audit committee comprises of three non executive independent directors nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of Internal Audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

52.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group monitors the credit quality of the counterparties, taking into account their financial position, past experience and other factors

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Group's trade and other receivables are actively monitored to review creditworthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months:

	As at 31 March 2023	As at 31 March 2022
Outstanding for more than 6 months	113.49	57.50
Others	3,326.19	3,273.27
Total	3,439.69	3,330.77

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

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 2023 and 31 March 2022.

52.4 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 2023 and 31 March 2022:

Particulars	As at 31 March 2023			Total
	Less than 1 year	1-2 years	2 years and above	
Borrowings	2,150.98	1,150.99	677.01	3,978.98
Trade payables	2,443.40	-	-	2,443.40
Lease liabilities	87.27	120.19	249.50	456.97
Other financial liabilities	110.83	-	-	110.83

Particulars	As at 31 March 2022			Total
	Less than 1 year	1-2 years	2 years and above	
Borrowings	1,924.36	369.93	854.62	3,148.91
Trade payables	2,580.45	-	-	2,580.45
Lease liabilities	81.57	54.18	364.34	500.09
Other financial liabilities	208.15	16.10	-	224.25

52.5 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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	As at 31 March 2023		As at 31 March 2022	
	Receivables / (payables)	Receivables / (payables)	Receivables / (payables)	Receivables / (payables)
	INR	in foreign currency	INR	in foreign currency
EURO	257.04	2.88	89.74	1.06
USD	1,611.39	19.62	784.60	10.35
GBP	4.95	0.05	10.95	0.11
AUD	0.77	0.01		
EURO	(752.22)	(8.43)	(1,061.64)	(12.54)
USD	(1,223.70)	(14.90)	(699.70)	(9.23)
JPY	(37.32)	(0.60)	(59.74)	(0.96)
Net exposure	(139.09)		(935.79)	

b) Derivative financial instruments

Derivative transactions are undertaken to act as economic hedges for the Group's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

- (i) Outstanding forward exchange contracts entered into by the Group as at 31 March 2023 and 31 March 2022:

Currency	Amount in US \$ million		Buy / Sell	Cross currency
	As at 31 March 2023	As at 31 March 2022		
USD	0.25	7.00	Sell	INR
USD	-	2.00	Buy	BRL

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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

	Impact on profit or loss and total equity	
	31 March 2023	31 March 2022
10% decrease in foreign currency		
Currency of U.S.A (USD)	(38.77)	(8.49)
Currency of Europe (Euro)	49.52	97.19
Others	3.16	4.88
10% increase in foreign currency		
Currency of U.S.A (USD)	38.77	8.49
Currency of Europe (Euro)	(49.52)	(97.19)
Others	(3.16)	(4.88)

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

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments are as follows:

	31 March 2023	31 March 2022
The effect on the Group's consolidated financial statements of the aforesaid Ind AS 29 adjustment is;		
Financial assets		
- Margin money deposit	1.55	17.78
Total	1.55	17.78
Financial liabilities		
- Borrowings from bank	2,062.14	1,338.08
- Borrowings from others	46.03	71.23
Total	2,108.18	1,409.31
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	1,848.95	1,694.00
-Borrowings from others	21.85	45.60
Total	1,870.80	1,739.60

The impact of the hyperinflation accounting as per Ind AS 29 for the preceding year and as on March 31, 2022 has been adjusted in to the retained earnings is as under (₹ 765 million)

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 or loss	
	100 bps (increase)	100 bps decrease
31 March 2023		
Variable-rate instruments	(18.71)	18.71
Total	(18.71)	18.71
31 March 2022		
Variable-rate instruments	(17.40)	17.40
Total	(17.40)	17.40

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

52 Financial instruments (Contd.)

52.6 Capital management

For the purpose of Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. During the year, the leverage ratio was not maintained as per the terms of borrowings agreed with two banks. The group, however, is regular in payment of interest and instalments and the banks have not served any notice for recall of loan balances. The outstanding balance of non-current portion has been classified as current borrowings in the financial statements for the year ended March 31, 2023.

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 2023	31 March 2022
Borrowings (i)	3,978.98	3,148.91
Cash and bank balances (ii)	415.74	574.96
Other bank balances (iii) (margin money) (refer note ii Below)	1.43	17.27
Current investment (iv)	0.46	14.37
Net debt [(i) - { (ii)+(iii)+(iv) }]	3,561.35	2,542.31
Equity attributable to owners of the Company	6,987.78	6,920.98
Gearing ratio	50.97%	36.73%

(i) Borrowing is defined as long-term and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Equity.

53 Hyperinflationary Economy

The Turkey economy was designated as hyperinflationary from 1 July 2022. As a result, application of IND AS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to subsidiaries in Turkey viz. Provet Veteriner Ürünleri San. ve Tic. A.Ş. and TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş. whose functional currency is Turkish Lira. Considering that the presentation currency of consolidated financial results is INR, the restatement of comparative figures in consolidated financial statements is not required. The cumulative hyperinflation index of Turkish economy as on the year ended March 31, 2023 was 31.54 as against 20.96 as on March 31, 2022, as per Index table published by Turkish Statistical Institute (TURKSTAT). Also refer accounting policy note 2 (xxvii) and 2 (ix).

The impact of hyperinflation pertaining to the period prior to 1st April 2022 has been adjusted in opening retained earnings as below:

Particulars	Amount
Goodwill	545.55
Other Adjustments	202.45
Total	748.00

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

53 Hyperinflationary Economy (Contd.)

The effect of aforesaid hyperinflationary accounting on the consolidated financial statements for the year ended 31 March 2023 is as below:

Particulars	Amount
(a) Total assets increased	221.15
(b) Total income increased	295.28
(c) Expenditure increased [excluding amount in (d) below]	286.32
(d) Net monetary loss on hyperinflation economy	157.95

54 Business Combinations

Acquisition of Nourrie Saúde e Nutrição Animal Ltda

On 28 February 2022, the Group had acquired 100% of the interest in Nourrie Saúde e Nutrição Animal Ltda (Nourrie) through a wholly owned subsidiary of Alivira Saúde Animal Ltda, Brazil (formerly known as Evance Saude Animal Health Ltda).

The acquisition was executed through an share purchase agreement to acquire 100% of the ownership interest in Nourrie. Nourrie specializes in development and commercialization of nutraceuticals and therapeutic products, with a portfolio of 23 commercialized products for pet and swine, and a near-term pipeline of 17 products. The business is well established with integrated R&D and manufacturing setup, complementary to Alivira's existing local capabilities. The Company also manufactures Transuin, a Ractopamine based product for swine, a key product in Alivira Brazil's portfolio.

The fair value of purchase consideration as per final Purchase Price Allocation (PPA) was ₹393.78 as detailed below.

Component	Fair value
Property, plant and equipment	6.42
Intangible assets	258.34
Deferred tax	(91.27)
Working capital:	
Inventory	13.53
Cash and cash equivalents	14.66
Others	(1.67)
Total	200.01
Goodwill	193.77
Total purchase price	393.78

The Statement of profit and loss for the year ended 31 March 2022 includes the following revenue and profit generated from the new acquisition:

	Amount (Restated)
Revenue from operations	14.82
Profit after tax	2.08

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

54 Business Combinations (Contd.)

Had this business combinations been effected at 01 April 2021, the proforma revenue and profit for the year from business acquired would have been as below.

	Amount
Revenue from operations	177.79
Profit after tax	60.44

The Purchase Price Allocation (PPA) has been finalised in the current year and consequently the financial results for the comparative periods are restated in accordance with Ind AS 103 Business Combination" as under:

Balance sheet:

Particulars	Final PPA	Provisional PPA
Goodwill	193.77	235.29
Intangible Assets	258.34	133.89
Deferred tax Assets	(91.27)	-
Net Assets	32.94	24.60
Total	393.78	393.78

Statement of profit and loss:

Particulars	Restated as on 31 March 2022	Impact	Reported as on 31 March 2022
Depreciation and amortisation expenses	515.41	4.56	510.85
Profit / (loss) before tax	529.30	(4.56)	533.86
Profit / (loss) after tax	447.64	(2.96)	450.60

During the current year (effective 01 July 2022), Nourrie has been amalgamated with Alivira Saude Animal Ltda, Brazil (wholly- owned subsidiary of the Company) and accordingly amortisation of intangible assets and goodwill generated on the amalgamation will be admissible expenditure under local Income tax laws. Consequently, deferred tax income/ asset amounting to ₹120.31 Millions has been recognized to statement of profit and loss.

55 Interest of major non controlling interest in Group activities:

Summarised balance sheet	Vila Vina. Participacions, S.L.	
	31 March 2023	31 March 2022
Current assets	2,157.89	1,745.52
Current liabilities	1,489.98	1,156.31
Net current assets	667.91	589.21
Non-current assets	1,204.59	1,167.35
Non-current liabilities	314.61	396.81
Net non-current assets	889.98	770.54
Net assets	1,557.89	1,359.75
Accumulated non-controlling interest	471.94	469.43

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

55 Interest of major non controlling interest in Group activities: (Contd.)

Summarised balance sheet	Vila Vina. Participacions, S.L.	
	31 March 2023	31 March 2022
Revenue	4,091.35	3,997.57
Profit for the year	1.04	53.89
Other comprehensive income	-	-
Total comprehensive income	1.04	53.89
Profit allocated to non-controlling interest	0.41	21.56
Dividends paid to non-controlling interest	2.10	15.67

56 Leases

- Refer note 3 for movement of ROU assets.
- Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	As at 31 March 2023	As at 31 March 2022
Opening Balance	500.09	522.87
Additions	16.13	29.58
Payments	(95.68)	(81.78)
Accretion of interest	24.49	27.58
Translation reserve	(19.58)	15.50
Pre closure of Lease arrangement	-	(13.66)
Closing Balance	425.45	500.09
Current	87.27	81.57
Non-current	369.70	418.52

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	As at 31 March 2023	As at 31 March 2022
	Depreciation expense of right-of-use assets	70.16
Interest expense on lease liabilities	24.49	27.58
Other expenses	34.04	19.94
	128.69	120.69

d. Maturity analysis of leases

Refer note 52.4 for maturity analysis of lease liabilities.

e. Impact on the statement of cash flows is as below:	As at 31 March 2023	As at 31 March 2022
	Payment of principal portion of lease liabilities	71.19
Payment of interest portion of lease liabilities	24.49	27.58
Net cash used in financing activities	95.68	81.78

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

57 Transactions with Struck off companies

	Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2023	Relationship with the struck off company
1	Taneesh Travel & Tours Private Limited	Travel expenses	-	Vendor
2	Analytical Solutions (India) Private Limited	Analysis Services	-	Vendor

	Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2022	Relationship with the struck off company
1	Taneesh Travel & Tours Private Limited	Travel expenses	-	Vendor
2	Analytical Solutions (India) Private Limited	Analysis Services	-	Vendor

58 The Group has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013.

59 The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibited) Act, 1988 and rules made thereunder.

60 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

61 A. The Group has not advanced or loaned or invested funds to any other persons or entity (other than intercompany transactions which are eliminated in the consolidated financial statements), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any persons or entity (other than inter-company transactions which are eliminated in the consolidated financial statements), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

62 The group has incurred certain acquisition related cost amounting to ₹9.9 million towards stamp duty on agreement, legal and professional fees and related other expenses.

63 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

64 The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

65 The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

66 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

67 The consolidated financial statement were approved for issue by the board of directors on 23 May 2023.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram Narayanan

Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur

Joint Managing Director
DIN:02808651

P V Raghavendra Rao

Chief Financial Officer

Krunal Shah

Company Secretary
Membership No: 26087

Thane, 23 May 2023

Independent Auditor's Report

To the Members 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, which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive expense, 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, 2023, its loss including other comprehensive expense, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of

India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. 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
<p>(a) Revenue recognition under Ind AS 115, "Revenue from contracts with customers"</p> <p>The Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.</p> <p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Read the Company's accounting policy for revenue recognition and assessed its compliance with 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns; • On a sample basis, we tested underlying documents including purchase orders issued by customers, and sales invoices raised by the Company and shipping documents to assess the timing of transfer of control and the timing of revenue recognition; • We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc, for sample transactions; • We requested for and obtained independent balance confirmations from the Company's customers on sample basis and tested reconciliations wherever required. • Read and assessed the relevant disclosures made within the standalone financial statements.
<p>Impairment assessment of investment in subsidiaries and amount due from subsidiaries:</p> <p>The Company has investments in subsidiaries of ₹ 6,324.67 million and amount due from subsidiary of ₹ 3,225.68 million as at March 31, 2023. The said investments and amount due are carried at cost less allowance for impairment, if any.</p> <p>The Management reviews periodically whether there are any indicators of impairment of the said investments and amount due from them by reference to the requirements under Ind AS 36 and Ind AS 109. If such indicator exists, impairment loss is determined and recognized in the standalone financial statements in accordance with the accounting policies.</p> <p>The Management carries out impairment assessment for investments and amount receivables from subsidiaries with indicators of impairment and if there are any such indicators, determines the recoverable amount based on estimates of future cash flows of the businesses covered by investments.</p> <p>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.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models. • We assessed whether there were indications of impairment of investments and amount due from subsidiaries. Where indicators existed, we have assessed whether management has estimated the recoverable amounts of these investments and amount due from subsidiaries, including the assumptions used by the management in making such estimates. • We evaluated the methodology used by the Company for future projections to determine the recoverable amount, in particular those assumptions relating to the sales growth rate, pre-tax discount rate used.



Key audit matters	How our audit addressed the key audit matter		
	<ul style="list-style-type: none"> We involved valuation specialists to review key assumptions considered in the recoverable amount determination. We compared the carrying values of the Company's investments and amounts due from subsidiaries with their recoverable amounts and the consequent allowance for impairment, if any. We assessed the disclosures provided by the Company in relation to its annual impairment test in notes to the standalone financial statements. 	<p>Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.</p> <ul style="list-style-type: none"> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 	<p>be expected to outweigh the public interest benefits of such communication.</p> <p>Report on Other Legal and Regulatory Requirements</p> <ol style="list-style-type: none"> As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order. As required by Section 143(3) of the Act, we report that: <ul style="list-style-type: none"> (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 Expense, 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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;
<p>Information Other than the Financial Statements and Auditor's Report Thereon</p>	<p>that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>		
<p>The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.</p>	<p>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.</p>		
<p>Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	<p>Those Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>		
<p>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.</p>	<p>Auditor's Responsibilities for the Audit of the Standalone Financial Statements</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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, 2023 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</p>	
<p>Responsibilities of Management for the Standalone Financial Statements</p>	<p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p>		
<p>The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive expense, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements</p>	<ul style="list-style-type: none"> 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 		



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities "Intermediaries", with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company "Ultimate Beneficiaries" or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been

received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration Number: 24982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 23110759BGVZSM8132

Place of Signature: Thane
Date: May 23, 2023

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Sequent Scientific Limited

(Referred to in paragraph 1, under "Report on other legal and regulatory requirements" section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipments have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory (including inventory lying with third parties) at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.
- (b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit

of the financial statements, the quarterly returns/statements (including revised) filed by the Company with such banks are in agreement with the books of accounts of the Company.

- (iii) (a) During the year the Company has provided loans and stood guarantee to companies as follows:

Particulars	₹ in Million)	
	Guarantees	Loans
Aggregate amount granted/ provided during the year		
-Wholly owned subsidiaries	175.39	840.72
Balance outstanding as at balance sheet date in respect of above cases		
-Wholly owned subsidiaries	2,627.11	3,225.68

- (b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to companies are not prejudicial to the Company's interest.
- (c) In respect of loan granted to companies, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.
- (d) There are no amounts of loans granted to companies which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.



- (f) As disclosed in note 6 to the financial statements, the Company has granted loans repayable on demand to companies. Of these following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Amount (₹ in million)
Aggregate amount of loans	
- Repayable on demand	840.72
Percentage of loans to the total loans	
Percentage of loans to the total loans	100%

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follow-

Name of the Statute	Nature of the Dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.27	AY 2006-07	Income Tax tribunal
Income Tax Act, 1961	Income Tax	15.01	AY 2017-18	Commissioner of Income Tax

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of animal health products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any amount during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause

3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-LA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3 (xvi) of the Order is not applicable to the Company
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement

to report on clause 3(xvi) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management-glans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 52 to the financial statements
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 52 to the financial statements.

For **S R B C & COLL P**
Chartered Accountants
ICAI Firm Registration Number: 24982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 23110759BGVZSM8132

Place of Signature: Thane
Date: May 23, 2023

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind AS 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 Ind AS financial statements of Sequent Scientific Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Ind AS 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference

to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 24982E/E300003

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 23110759BGVZSM8132

Place of Signature: Thane

Date: May 23, 2023

Balance Sheet

as at 31 March 2023

All amounts are in ₹ million unless otherwise stated			
	Notes	As at 31 March 2023	As at 31 March 2022
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3.a	451.18	440.87
(b) Right-of-use assets (ROU)	3.b	113.86	221.33
(c) Capital work-in-progress	3.c	21.98	14.02
(d) Intangible assets	4	2.16	6.83
(e) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	5	6,324.67	6,216.92
(b) Other investments	5	0.05	367.79
(ii) Loans	6	3,225.68	2,384.96
(iii) Other financial assets	7	26.13	7.05
(f) Deferred tax assets (net)	8	122.30	60.31
(g) Income tax assets (net)	9	80.33	55.95
(h) Other non-current assets	10	8.24	7.68
Total non-current assets		10,376.58	9,783.71
2. Current assets			
(a) Inventories	11	479.53	679.94
(b) Financial assets			
(i) Investments	12	0.46	1.38
(ii) Trade receivables	13	136.47	524.17
(iii) Cash and cash equivalents	14	0.83	127.96
(iv) Bank balances other than (iii) above	15	0.94	0.92
(v) Loans	16	0.92	0.30
(vi) Other financial assets	17	0.72	3.34
(c) Other current assets	18	130.37	120.60
(d) Assets classified as held for sale	3.b	100.92	-
Total current assets		851.16	1,458.61
Total assets		11,227.74	11,242.32
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	498.87	496.74
(b) Other equity	20	10,084.75	9,914.14
Total equity		10,583.62	10,410.88
II Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	21	2.67	6.27
(ii) Others Financial liabilities	22	-	1.50
(b) Provisions	23	25.37	18.13
Total non-current liabilities		28.04	25.90
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	190.99	155.00
(ii) Lease liabilities	25	9.09	7.27
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	26	41.75	77.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	325.33	497.69
(iv) Other financial liabilities	27	13.89	8.21
(b) Provisions	28	5.26	16.85
(c) Current tax liabilities (Net)	29	6.08	6.14
(d) Other current liabilities	30	23.69	36.48
Total current liabilities		616.08	805.54
Total liabilities		644.12	831.44
Total equity and liabilities		11,227.74	11,242.32
Significant accounting policies	2		

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **SRBC & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram NarayananManaging Director &
Chief Executive Officer
DIN:02977405**P V Raghavendra Rao**

Chief Financial Officer

Sharat NarasapurJoint Managing Director
DIN:02808651**Krunal Shah**Company Secretary
Membership No: 26087

Thane, 23 May 2023

Statement of profit and loss

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information			
	Notes	Year ended 31 March 2023	Year ended 31 March 2022
I Revenue from operations	31	2,226.85	2,196.26
II Other income	32	282.42	276.43
III Total income (I+II)		2,509.27	2,472.69
IV Expenses			
(a) Cost of materials consumed	33.a	1,140.72	1,240.07
(b) Purchases of stock-in-trade	33.b	24.23	43.82
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33.c	194.17	(197.33)
(d) Employee benefits expense	34	366.59	273.82
(e) Finance costs	35	25.13	16.10
(f) Depreciation and amortisation expenses	36	91.15	95.93
(g) Other expenses	37	754.84	843.38
(h) Acquisition related cost	38	9.90	-
Total expenses (IV)		2,606.73	2,315.79
V Profit before tax and exceptional item(III-IV)		(97.46)	156.90
VI Exceptional items (VI)		-	-
VII Profit before tax (V-VI)		(97.46)	156.90
VIII Tax expense / (credits)	40		
(a) Current tax		0.20	25.12
(b) Deferred tax		(30.94)	5.20
(c) Adjustment of income tax relating to earlier periods		(5.92)	(21.41)
Total tax expenses / (credits)		(36.66)	8.91
IX Profit after tax (VII-VIII)		(60.80)	147.99
Other comprehensive income / (expenses)			
Items that will not be reclassified to profit or loss	20		
(a) Re-measurements gain / (loss) on defined benefit plans		1.29	1.05
(b) Fair value gain / (loss) from investment in equity instruments		(142.46)	(400.67)
(c) Income tax relating to items that will not be reclassified to profit or loss		(8.16)	-
(d) Deferred tax relating to items that will not be reclassified to profit or loss		28.80	46.45
Total other comprehensive income/(expenses) (net of tax) (X)		(120.53)	(353.17)
XI Total comprehensive income / (expenses) for the year, net of tax (IX+X)		(181.33)	(205.18)
Earnings per equity share	39		
(1) Basic (in ₹)		(0.24)	0.60
(2) Diluted (in ₹)		(0.24)	0.59
Significant accounting policies	2		

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **SRBC & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram NarayananManaging Director &
Chief Executive Officer
DIN:02977405**P V Raghavendra Rao**

Chief Financial Officer

Sharat NarasapurJoint Managing Director
DIN:02808651**Krunal Shah**Company Secretary
Membership No: 26087

Thane, 23 May 2023

Statement of cash flows

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Net profit before tax and exceptional items	(97.46)	156.90
Adjustments for:		
Depreciation and amortisation expenses	91.15	95.93
Property, plant and equipment written off	1.56	-
Trade receivables written off	(0.43)	-
Trade payables written back	(0.47)	-
Unrealised forex gain/ loss (net)	0.09	(2.75)
Finance costs	25.13	16.10
Dividend income	-	(45.76)
Fair value of corporate guarantee income	(1.90)	(2.53)
Interest income	(217.90)	(175.36)
Profit on sale of property, plant and equipment (net)	-	(0.06)
Share-based payments to employees	114.14	60.85
Corporate guarantee commission	(16.23)	(10.21)
Operating profit before working capital changes	(102.32)	93.11
Changes in working capital		
(Increase)/ decrease in trade receivables, loans and advances and other assets	513.61	228.43
(Increase)/Decrease in inventories	200.41	(222.04)
(Increase) / decrease in margin money and unpaid dividend accounts	(0.02)	2.13
Increase / (decrease) in trade payables, other payables and provisions	(227.22)	9.54
Net change in working capital	486.78	18.06
Cash generated by operations	384.46	111.17
Income taxes paid (net)	7.00	(17.53)
Net cash generated from operating activities (A)	377.46	93.64
Cash flows from investing activities		
Purchase of property, plant and equipments and intangible assets	(88.63)	(64.45)
Proceeds from disposal of property, plant & equipments	-	0.52
Sale of current investments	0.92	-
Proceeds from sale of long term investments	225.28	-
Loan given to subsidiary company	(645.00)	(20.00)
Interest received	0.43	0.27
Dividend received	-	41.18
Net cash generated from / (used in) investing activities (B)	(507.00)	(42.48)

Statement of cash flows

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from financing activities		
Proceeds / (repayment) from short-term borrowings (net)	35.98	102.83
Payment of principal portion of lease liabilities	(9.76)	(7.77)
Proceeds from stock options exercised by employees	-	21.16
Proceeds from stock options pending allotment	-	91.38
Interest and other borrowing cost paid	(23.81)	(11.71)
Dividend paid	-	(123.44)
Net cash generated from / (used in) financing activities (C)	2.41	72.45
Net increase in cash and cash equivalents during the year (A+B+C)	(127.13)	123.61
Cash and cash equivalents at the beginning of the year (refer note 14)	127.96	4.35
Cash and cash equivalents at the end of the year (refer note 14)	0.83	127.96

Note: The statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows'.

Reconciliation of liabilities arising from financing activities

As at 31st March 2023	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	168.54	2.41	31.80	202.75
Total liabilities from financing activities	168.54	2.41	31.80	202.75

As at 31st March 2022	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	56.58	83.35	28.61	168.54
Total liabilities from financing activities	56.58	83.35	28.61	168.54

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 AND ON BEHALF OF THE BOARD OF DIRECTORS

For **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram Narayanan

Managing Director &

Chief Executive Officer

DIN:02977405

Sharat Narasapur

Joint Managing Director

DIN:02808651

P V Raghavendra Rao

Chief Financial Officer

Krunal Shah

Company Secretary

Membership No: 26087

Thane, 23 May 2023

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	As at 31 March 2023		As at 31 March 2022						
	No. of shares	Amount	No. of shares	Amount					
(a) Equity share capital									
Balance at the beginning of the year	24,83,70,995	496.74	24,83,70,995	496.74					
Issued during the year	10,62,500	2.13	-	-					
Balance at the end of the year	24,94,33,495	498.87	24,83,70,995	496.74					
(b) Other equity									
	Reserves & surplus (note 20)								
	Share application money pending allotment	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
Balance as at 31 March 2021	-	10.65	8,726.86	77.66	174.96	(89.43)	280.31	617.36	9,798.37
Profit for the year	-	-	-	-	-	-	147.99	-	147.99
Other comprehensive expenses for the year, net of income tax	-	-	-	-	-	-	0.74	(353.91)	(353.17)
Total comprehensive income / (expenses) for the year	-	-	-	-	-	-	148.73	(353.91)	(205.18)
Share application money pending allotment	91.38	-	-	-	-	-	-	-	91.38
Recognition of share-based payments	-	-	-	322.50	-	-	-	-	322.50
Employee stock options issued during the year	-	-	-	-	-	3.72	-	-	3.72
Premium on exercise of options - proceeds received	-	-	15.69	(15.69)	-	-	-	-	-
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	(123.44)	-	(123.44)
Vested ESOP lapsed during the year	-	-	-	(4.89)	3.68	-	-	-	(1.21)
Balance as at 31 March 2022	91.38	10.65	8,742.55	379.58	178.64	(57.71)	305.60	263.45	9,914.14
Profit for the year	-	-	-	-	-	-	(60.80)	-	(60.80)
Other comprehensive expenses for the year, net of income tax	-	-	-	-	-	-	0.91	(121.52)	(120.61)
Total comprehensive income / (expenses) for the year	-	-	-	-	-	-	(59.89)	(121.52)	(181.41)

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

	Reserves & surplus (note 20)		Reserve for equity instruments through other comprehensive income (note 20)					
	Share application money pending allotment	Capital reserve	Securities premium account	Employees stock options outstanding	General reserve	Treasury reserve	Retained earnings	Total
Share application money pending allotment	-	-	-	-	-	-	-	-
Recognition of share-based payments	(91.38)	-	-	354.12	-	-	-	354.12
Employee stock options issued during the year	-	-	-	(171.44)	-	-	-	(262.82)
Premium on exercise of options - proceeds received	-	-	260.69	-	-	-	-	260.69
Dividends distributed to equity shareholders (including tax on dividend)	-	-	-	-	-	-	-	-
Vested ESOP lapsed during the year	-	-	-	-	-	-	-	-
Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	-	-	-	-	-	-	(141.81)	(141.81)
Balance as at 31 March 2023	-	10.65	9,003.24	562.26	178.64	(57.71)	387.55	10,084.75

Significant accounting policies (Refer note 2)

The accompanying notes are integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram Narayanan

Managing Director &

Chief Executive Officer

DIN:02977405

Sharat Narasapur

Joint Managing Director

DIN:02808651

P V Raghavendra Rao

Chief Financial Officer

Krunal Shah

Company Secretary

Membership No: 26087

Thane, 23 May 2023

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

1. CORPORATE INFORMATION

SeQuent Scientific Limited (the "Company") is a Company incorporated and domiciled in India and has its registered office located at 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No. 22, Wagle Industrial Estate, Thane (W), Maharashtra - 400604, India. The shares of the Company are publicly traded on the National Stock Exchange of India Limited and BSE Limited. The Company is a leading integrated pharmaceutical company with a global footprint, operating in the domains of Active Pharmaceutical Ingredients.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such a basis, except for

- Share-based payment transaction as defined in Ind AS 102 – Share-based payment.
- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that have some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of Assets.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest million (upto two decimals), except otherwise stated.

2.4 Significant Accounting Policies

i. Revenue Recognition

a) Sale of products

Revenue from sale of products is presented in the income statement within revenue from operations. The Company presents revenue net of indirect taxes in its standalone statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from that asset. Performance obligations are satisfied at one point in time, typically on delivery. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates / incentives is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognized in the period in which the underlying sales are recognized based on an 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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.



Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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.

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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
Computers	3
Furniture and fixtures	2-16
Office Equipments	2-5
Vehicles	3-8

The estimated useful lives, residual values and depreciation method are reviewed at financial year end, with the effect of any changes in estimate are accounted for on a prospective basis.

Depreciation on additions / deletions to property, plant and equipments is provided prorata from the month of addition / till the month of deletion.

b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the standalone statement of profit and loss as incurred.

c) Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the standalone statement of profit and loss.

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

amortisation method are reviewed at each financial year end, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

b) Internally-generated intangible asset-research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the standalone statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c) Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Nature of the assets	Useful life in years
Product / process development	5
Software	3-5

d) Subsequent costs

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the standalone statement of profit and loss as incurred.

e) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the standalone statement of profit and loss.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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.

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

(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:

- 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;
- 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

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

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 (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies (xiii)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of the assets	Useful life in years
ROU-Land	50-85
ROU- Server	5
ROU- Vehicle	4
ROU- Building	2

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised over the lease terms on the same basis as rental income.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

xvi. Cash and cash equivalents

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

xvii. Cash Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xviii. Fair value measurement

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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.

2.6 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below :

- Ind AS 1, Presentation of Financial Statements** – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors** – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact in the standalone financial statements.
- Ind AS 12, Income Taxes** – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact in the standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

3.a Property, plant and equipment

Cost	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2021	0.36	280.90	9.51	6.59	13.16	375.53	2.25	688.30
Additions	-	17.01	2.10	0.52	6.76	62.97	-	89.36
Deletions	-	0.90	0.01	0.02	0.04	4.39	-	5.36
Balance as on 31 March 2022	0.36	297.01	11.60	7.09	19.88	434.11	2.25	772.30
Additions	-	14.73	10.20	1.51	2.31	56.21	-	84.96
Deletions	-	-	1.04	-	-	0.52	-	1.56
Balance as on 31 March 2023	0.36	311.74	20.76	8.60	22.19	489.80	2.25	855.70

Accumulated depreciation	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2021	-	32.56	3.31	4.24	8.53	213.20	1.30	263.14
Depreciation expense for the year (refer note 36)	-	13.74	1.75	0.95	2.06	54.52	0.17	73.19
Deletions	-	0.90	0.00	0.01	0.04	3.95	-	4.90
Balance as on 31 March 2022	-	45.40	5.06	5.18	10.55	263.77	1.47	331.43
Depreciation expense for the year (refer note 36)	-	14.79	2.21	0.81	3.31	52.29	0.16	73.57
Deletions	-	-	0.07	-	-	0.41	-	0.48
Balance as on 31 March 2023	-	60.19	7.20	5.99	13.86	315.65	1.63	404.52

Carrying amount	Freehold land	Buildings	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Vehicles	Total
Balance as on 31 March 2022	0.36	251.61	6.54	1.91	9.33	170.34	0.78	440.87
Balance as on 31 March 2023	0.36	251.55	13.56	2.61	8.33	174.15	0.62	451.18

Notes:

- Title deeds of all the immovable properties are held in the name of the Company.
- Refer Note 24 for charge created on the assets.
- Refer Note 42 for capital commitments.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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

Cost	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 31 March 2021	219.89	-	9.21	2.62	231.72
Additions	-	16.91	-	-	16.91
Deletions	-	-	-	-	-
Balance as on 31 March 2022	219.89	16.91	9.21	2.62	248.63
Additions	-	7.93	-	-	7.93
Deletions	-	1.63	-	-	1.63
Assets classified as held for sale*	111.06	-	-	-	111.06
Balance as on 31 March 2023	108.83	23.21	9.21	2.62	143.87

Accumulated depreciation	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 31 March 2021	7.76	-	7.13	0.93	15.82
Depreciation expense for the year (refer note 36)	3.88	4.87	2.08	0.65	11.48
Balance as on 31 March 2022	11.64	4.87	9.21	1.58	27.30
Depreciation expense for the year (refer note 36)	3.88	8.32	-	0.65	12.85
Assets classified as held for sale*	10.14	-	-	-	10.14
Balance as on 31 March 2023	5.38	13.19	9.21	2.23	30.01

Carrying amount	ROU- Land	ROU- Building	ROU- Server	ROU- Vehicles	Total
Balance as on 31 March 2022	208.25	12.04	-	1.04	221.33
Balance as on 31 March 2023	103.45	10.02	-	0.39	113.86

3.c Detail of Capital work in Progress ageing schedule

i. Capital-work-in progress (CWIP) ageing schedule as on 31 March 2023

Project Name	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	19.54	2.17	0.27	-	21.98

ii. Capital-work-in progress (CWIP) ageing schedule as on 31 March 2022

Project Name	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.75	0.27	-	-	14.02

Note

There are no projects whose completion is overdue.

There are no projects which have exceeded its cost as compared to its original plan.

*With the approval of Board of Directors, the Company has decided to sale the leasehold factory land at Ambarnath (Maharashtra), which was used for manufacturing operations in the earlier years and the Company does not expect to derive any economic benefit from the said land. In this regard, the company has entered into a Memorandum of understanding for sale of lease hold rights for a consideration of ₹171 million which is expected to get materialised in the current year. The carrying value of the land of ₹100.92 million has been, accordingly, reclassified as Asset held for sale, in the financial statements for the year ended March 31, 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

4 Intangible assets

Cost	Product / process development	Software	Total
Balance as on 31 March 2021	43.40	65.21	108.61
Additions	-	1.34	1.34
Deletions	-	-	-
Balance as on 31 March 2022	43.40	66.55	109.95
Additions	-	0.05	0.05
Deletions	-	-	-
Balance as on 31 March 2023	43.40	66.60	110.00

Accumulated amortisation	Product / process development	Software	Total
Accumulated depreciation and impairment			
Balance as on 31 March 2021	43.40	48.46	91.86
Amortisation expense for the year (refer note 36)	-	11.26	11.26
Deletions	-	-	-
Balance as on 31 March 2022	43.40	59.72	103.12
Amortisation expense for the year (refer note 36)	-	4.72	4.72
Deletions	-	-	-
Balance as on 31 March 2023	43.40	64.44	107.84

Carrying amount	Product / process development	Software	Total
Balance as on 31 March 2022	-	6.83	6.83
Balance as on 31 March 2023	-	2.16	2.16

5 Non-current investments

	Face Value	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
A Investments in Subsidiaries					
Unquoted equity instruments (fully paid up) carried at cost less impairment in value of investments					
i) Alivira Animal Health Limited, India	₹ 10.00	47,776,470	6,182.58	47,776,470	6,074.83
ii) SeQuent Research Limited	₹ 10.00	4,410,000	142.09	4,410,000	142.09
Total (A)			6,324.67		6,216.92
B Other Investments					
a Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income					
i) Solara Active Pharma Sciences Limited	-	-	-	552,083	367.74
			-		367.74

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

5 Non-current investments (Contd.)

	Face Value	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
b Unquoted equity instruments (fully paid up) carried at fair value through profit and loss					
i) Ambernath Chemical Manufacturers Association	₹ 10.00	1,000	0.01	1,000	0.01
ii) Tarapur Industrial Manufacturers Association	₹ 10.00	2,000	0.04	2,000	0.04
			0.05		0.05
Total (B)			0.05		367.79
Total (A+B)			6,324.72		6,584.71
Aggregate carrying value of unquoted investments (gross)			6,324.72		6,216.97
Aggregate market value of quoted investments			-		367.74
Aggregate amount of impairment in value of investments			-		-

6 Financial assets- Loans (Non-current)

Financial assets- Loans (Non-current)	As at 31 March 2023	Maximum balance during the year	As at 31 March 2022	Maximum balance during the year
Unsecured, considered good				
Loan to related parties (refer note 45.3)				
-Alivira Animal Health Limited, India	3,225.68	3,225.68	2,384.96	2,384.96
Total	3,225.68	3,225.68	2,384.96	2,384.96

Notes:

- i) All the above loans and advances have been given for business purposes
- ii) The above said disclosure is pursuant to SEBI (Listing Obligations and Disclosure Requirements) and Section 186 (4) of the Companies Act, 2013

Loans & Advances given which are repayable on demand or without specifying any terms or period of repayment to following person

Type of Borrower	Location	CIN	31-Mar-23		31-Mar-22	
			Amount outstanding	% of Total	Amount outstanding	% of Total
-Alivira Animal Health Limited, India	India	U74120MH2013PLC248708	3,225.68	100.00	2,384.96	100.00

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

7 Other non-current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	26.01	6.93
Margin money deposits	0.12	0.12
Total	26.13	7.05

Note:

Balances in margin money deposits are held as security against guarantees

8 Deferred tax assets (net) (refer note 40)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liability		
- Temporary differences on account of depreciation	1.44	1.77
- Temporary Differences of quoted equity instruments valued at fair value	-	21.02
Total deferred tax liability (A)	1.44	22.79
Deferred tax assets		
- Expenses allowable on payment basis	11.31	11.74
- Unabsorbed depreciation and carried forward of losses	30.66	-
- MAT credit entitlement	81.77	71.36
Deferred tax assets (B)	123.74	83.10
Total (B-A)	122.30	60.31

9 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provisions : ₹218.63) (31 March 2022 : ₹226.98)	80.33	55.95
Total	80.33	55.95

10 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	-	0.57
Deposit with government authorities	1.09	1.09
Prepaid expenses	5.58	6.02
Balances with government authorities	1.57	-
Total	8.24	7.68

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

11 Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	104.39	129.49
Goods-in transit	16.42	-
	120.81	129.49
Work-in-progress and intermediates (refer note (i) below)	175.12	286.89
Finished goods	178.57	259.61
Goods-in transit	-	1.36
	178.57	260.97
Stores, spares and consumables	2.70	-
Fuel	2.33	2.59
Total inventories (lower of cost and net realisable value)	479.53	679.94

Note:

(i) Details of inventory of work-in-progress and intermediates:

	As at 31 March 2023	As at 31 March 2022
Bulk drugs	175.12	286.89
Total	175.12	286.89

(ii) During the year ended 31 March 2023, (₹ 7.91) (31 March 2022 : ₹ 2.61) was recognised as an expense towards provision for slow moving inventories.

(iii) During the year ended 31 March 2023, ₹ 2.71 (31 March 2022 : ₹ 0.34) was recognised as an expense for inventories carried at net realisable value.

12 Current investments

	Face value	No. of shares / units	As at 31 March 2023	No. of shares / units	As at 31 March 2022
A Quoted equity instruments (fully paid up) carried at fair value through other comprehensive income					
i) Transchem Limited	₹10.00	-	-	26,077	0.57
ii) Techindia Nirman Limited	₹10.00	280	- *	2,280	0.03
iii) Agritech (India) Limited	₹10.00	4,927	0.46	6,300	0.78
Total (A)			0.46		1.38
B Other unquoted equity instruments (fully paid up) carried at fair value through other comprehensive income					
i) Aditya Investment & Communication Limited	₹10.00	58,800	- *	58,800	- *
ii) Agrodutch Industries Limited	₹10.00	36,250	- *	36,250	- *
Total (B)			-		-
Total (A + B)			0.46		1.38
Aggregate market value of quoted investments			0.46		1.38
Aggregate carrying value of unquoted investments			-		-

* represents amount lower than ₹ 10,000

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

13 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	91.10	233.58
Unsecured, considered good (related party)	45.37	290.59
Unsecured, considered doubtful	0.17	0.61
	136.64	524.78
Impairment allowance (allowance for bad and doubtful debts)		
Less: Allowance for doubtful trade receivables	0.17	0.61
Total	136.47	524.17

As on 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	112.09	24.43	-	-	-	-	136.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk.	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	0.10	0.02	0.12
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk.	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	112.09	24.43	-	-	0.10	0.02	136.64

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	494.10	30.07	-	-	-	-	524.17
(ii) Undisputed Trade Receivables - which have significant increase in credit risk.	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.05	0.10	0.02	-	0.17
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk.	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	0.44	0.44
Total	494.10	30.07	0.05	0.10	0.02	0.44	524.78

Note:

- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except disclosed in note 45.3
- Refer note 50.3 for term and other details.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

14 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- In current accounts	0.83	1.16
- Cheque in hand (Refer note below)	-	126.77
Cash on hand	-	0.03
Total	0.83	127.96
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	0.83	127.96

Note:

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

15 Bank balances other than note 14 above

	As at 31 March 2023	As at 31 March 2022
In earmarked accounts		
- Unpaid dividend accounts	0.29	0.30
- Margin money deposits (refer note below)	0.65	0.62
Total	0.94	0.92

Note:

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

16 Financial assets-loan (current)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to employees	0.92	0.30
Total	0.92	0.30

17 Other current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Claims receivable	0.64	1.43
Others receivable	0.05	1.88
Interest accrued on fixed deposits	0.03	0.03
Total	0.72	3.34

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

18 Other current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Advance to suppliers	9.40	5.79
Balances with government authorities	111.74	100.75
Prepaid expenses	9.23	14.06
Total	130.37	120.60

19 Share capital

	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
(a) Authorised				
Equity shares of ₹ 2 each	40,00,00,000	800.00	40,00,00,000	800.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹ 2 each	24,94,33,495	498.87	24,83,70,995	496.74
Total		498.87		496.74

Notes:

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

	No. of shares	Amount
Fully paid equity shares		
Balance as on 31 March 2021	24,83,70,995	496.74
Shares issued during the year	-	-
Balance as on 31 March 2022	24,83,70,995	496.74
Shares issued during the year	10,62,500	2.13
Balance as on 31 March 2023	24,94,33,495	498.87

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
CA Harbor Investments	13,16,80,103	52.79%	13,16,80,103	53.02%

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

19 Share capital (Contd.)

(iv) Disclosure of shareholding of the Promoters

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No of shares	% of total Shares	% Change during the year	No of shares	% of total Shares	% Change during the year
CA Harbor Investments	13,16,80,103	52.79%	0.00%	13,16,80,103	52.79%	0.00%

(v) 962,250 shares of ₹ 2 each (as at 31 March 2022 :962,250 shares) are reserved towards outstanding employee stock options granted / available for grant.

(vi) Dividend paid and proposed

Particulars	31 March 2023	31 March 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2022: ₹ Nil per share (31 March 2021 : ₹ 0.50 per share)		124.19
	-	124.19
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2023 : ₹ NIL per share (31 March 2022 : ₹ Nil per share)	-	-
	-	-

20 Other equity

	As at 31 March 2023	As at 31 March 2022
(i) Share application money pending allotment	-	91.38
(ii) Other reserves		
Capital reserve	10.65	10.65
Securities premium account	9,003.24	8,742.55
Share options outstanding account	562.26	379.58
General reserve	178.64	178.64
Retained earnings	387.55	305.60
Reserve for equity instruments through other comprehensive income	0.12	263.45
Treasury reserve	(57.71)	(57.71)
Total	10,084.75	9,914.14
(a) Capital reserve	10.65	10.65
(b) Securities premium account		
Balance at the beginning of the year	8,742.55	8,726.86
Add: Premium on exercise of options - proceeds received	260.69	15.69
Balance at the end of the year	9,003.24	8,742.55

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

20 Other equity (Contd.)

	As at 31 March 2023	As at 31 March 2022
(c) Share options outstanding account		
Balance at the beginning of the year	379.58	77.66
Add: Employee stock option expenses	354.12	322.50
Add: Fresh issue of shares	(171.44)	-
Less: Transferred to securities premium account on exercise	-	(15.69)
Less: Transferred to general reserve on vested ESOP lapsed during the year	-	(4.89)
Balance at the end of the year	562.26	379.58
(d) General reserve		
Balance at the beginning of the year	178.64	174.96
Add: Vested ESOP lapsed during the year	-	3.68
Balance at the end of the year	178.64	178.64
(e) Retained earnings		
Balance at the beginning of the year	305.60	280.31
Add: Profit for the year	(60.80)	147.99
Add / (less): Other comprehensive income/(expenses) arising from remeasurement of defined benefit obligations, net of income tax	0.91	0.74
Add: Transfer from Reserve for equity instruments through other comprehensive income on sale of quoted equity instruments carried at FVTOCI	141.81	-
Add: Income tax relating to equity instruments through other comprehensive income	-	-
Less: Dividends distributed to equity shareholders	-	(123.44)
Balance at the end of the year	387.55	305.60
(f) Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	263.45	617.36
Add / less: Net fair value gain/ (loss) on investment in equity instruments at FVTOCI	(142.54)	(400.67)
Less: Transfer to retained earnings on sales of quoted equity investments carried at FVTOCI	(141.81)	-
Less: Income tax relating to items that will not be reclassified to profit or loss	(7.78)	-
Less: Deferred tax relating to items that will not be reclassified to profit or loss	28.80	46.76
Balance at the end of the year	0.12	263.45
(g) Treasury reserve		
Balance at the beginning of the year	(57.71)	(89.43)
Add: Employee stock options issued during the year	-	31.72
Balance at the end of the year	(57.71)	(57.71)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

20 Other equity (Contd.)

Nature and purpose of Reserves

(a) Capital reserve

Capital reserves pertains to amalgamation of subsidiary company

(b) Securities premium account

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(c) Share options outstanding account

This relate to shares granted to the employees of the Company and its subsidiaries.

(d) General reserve

During the earlier years ,the Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve.

The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

(f) Reserve for equity instruments through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified, if any, to retained earnings when those instruments are disposed off.

(g) Treasury reserve

Treasury reserve represents the shares of the Company held by ESOP Trust.

21 Non current lease liabilities

	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer note 47)	2.67	6.27
Total	2.67	6.27

22 Other non-current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Compensation payable	-	1.50
Total	-	1.50

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

23 Non-current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (refer note 41)	17.52	16.08
Compensated absences (refer note below)	7.85	2.05
Total	25.37	18.13

Note:

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

24 Current borrowings

	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand		
Secured loan - at amortised cost		
From banks (refer notes below)	190.99	155.00
Total	190.99	155.00

Notes:

- Working capital loan from banks are secured by a exclusive charge on current assets of the company and secured by unconditional & irrevocable guarantee from subsidiary Alivira Animal Health Limited, India.
- The interest on Working Capital loans are floating in nature which ranges from 5.70% to 9.00% per annum. (31 March 2022:5.70% to 7.80% per annum)
- There has been no breach of covenants attached to the borrowings as at 31 March 2023.

25 Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer note 47)	9.09	7.27
Total	9.09	7.27

26 Trade payables

	As at 31 March 2023	As at 31 March 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	41.75	77.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	325.33	497.69
	367.08	575.59
Trade payables	367.05	574.36
Trade payables to related parties	0.03	1.23
Total	367.08	575.59

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

26 Trade payables (Contd.)

As on 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade payables- micro enterprises and small enterprises	-	37.30	4.45	-	-	-	41.75
(ii) Undisputed Trade payables- Others	-	203.62	115.97	1.99	1.07	0.74	323.39
(iii) Disputed Trade Payables - micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.96	0.98	-	-	1.94
Total	-	240.92	121.38	2.97	1.07	0.74	367.08

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade payables- micro enterprises and small enterprises	14.63	57.44	3.24	-	-	-	75.31
(ii) Undisputed Trade payables- Others	63.34	427.24	6.73	0.30	0.05	0.03	497.69
(iii) Disputed Trade Payables - micro enterprises and small enterprises	-	-	1.15	1.44	-	-	2.59
Total	77.97	484.68	11.12	1.74	0.05	0.03	575.59

Notes:

- (i) Trade payables (other than due to micro, small and medium enterprises) are non-interest bearing and are normally settled in 90 - 120 days.
- (ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 50.
- (iii) Refer note 45.3 for dues payable to related parties

27 Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Unclaimed dividends	0.29	0.30
Payables on purchase of property, plant and equipment	7.79	5.16
Others	5.81	2.75
Total	13.89	8.21

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

28 Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (Refer note 41)	2.44	6.61
Compensated absences	2.82	10.24
Total	5.26	16.85

29 Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax) : ₹ 86.35 (31 March 2022 : ₹ 90.03)	6.08	6.14
Total	6.08	6.14

30 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory remittances	8.83	31.33
Advance from customers	0.72	0.96
Corporate guarantee liability	4.14	4.19
Other Advances against assets classified as held for sale	10.00	-
Total	23.69	36.48

31 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products (refer note below)	2,122.59	2,159.76
Other operating revenues		
Sale of scrap	2.10	2.33
Duty drawback and other export incentives	3.57	0.80
Other Operating Income	0.08	-
Processing and conversion charges (refer note 45.2)	98.51	33.37
Total	2,226.85	2,196.26

(i) Sale of products comprises:

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Manufactured goods		
Bulk drugs	2,098.42	2,113.89
Total- Sale of manufactured goods	2,098.42	2,113.89
(b) Traded goods		
Bulk drugs	10.26	2.15
Chemicals	13.91	43.72
Total- Sale of traded goods	24.17	45.87
Total- Sale of products	2,122.59	2,159.76

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

31 Revenue from operations (Contd.)

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

(iii) Reconciliation of revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	2,147.55	2,166.75
Less: trade discounts and sales returns	24.96	6.99
Sale of products	2,122.59	2,159.76

32 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income (refer note (i) below)	217.90	175.36
Profit on sale of property, plant and equipments (net)	-	0.06
Other non-operating income (refer note (ii) below)	62.62	49.25
Dividend income	-	45.76
Net gain on foreign currency transactions and translation	-	3.47
Fair value of corporate guarantee income *	1.90	2.53
Provision for trade receivables written back	-	-
Total	282.42	276.43

(i) Interest income comprises:

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on:		
Bank deposits	0.05	0.04
Loans to subsidiary companies (refer note 45.2)	217.47	175.18
Others	0.38	0.14
Total	217.90	175.36

(ii) Other non-operating income comprises:

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income (refer note 45.2)	9.94	9.26
Guarantee commission (refer note 45.2)*	16.23	10.21
Miscellaneous income	0.09	0.36
Corporate cross charge (refer note 45.2)	36.36	29.42
Total	62.62	49.25

* Fair value of corporate guarantee represents income on guarantee provided to a subsidiary Company

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

33.a Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock (including in-transit)	129.49	104.46
Add: Purchases	1,132.04	1,265.10
Less: Closing stock (including in-transit)	120.81	129.49
Total	1,140.72	1,240.07
Materials consumed comprises:		
Solvents	194.31	374.33
Chemicals	946.41	865.74
Total	1,140.72	1,240.07

33.b Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	24.23	43.82
Total	24.23	43.82
Purchases of stock-in-trade comprises:		
Bulk drugs	8.30	1.91
Chemicals	15.93	41.91
Total	24.23	43.82

33.c Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock (including in-transit)		
Work-in-progress and intermediates	286.89	237.23
Finished goods	260.97	113.30
	547.86	350.53
Closing stock (including in-transit)		
Work-in-progress and intermediates	175.12	286.89
Finished goods	178.57	260.97
	353.69	547.86
Net increase/ (decrease)	194.17	(197.33)

34 Employee benefit expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	226.19	185.96
Contributions to provident fund, gratuity and other funds (refer note 41)	18.64	18.77
Share-based payments to employees (refer note 46)	114.14	60.85
Staff welfare expenses	7.62	8.24
Total	366.59	273.82

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

35 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	18.19	10.42
Other borrowing costs	6.06	4.57
Interest expense on leases liabilities (refer note 47)	0.88	1.11
Total	25.13	16.10

36 Depreciation and amortisation expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3a)	73.57	73.19
Depreciation on Right of use assets (refer note 3b)	12.86	11.48
Amortisation on intangible assets (refer note 4)	4.72	11.26
Total	91.15	95.93

37 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Power, water and fuel	139.31	119.63
Consumables	35.40	31.86
Conversion and processing charges	257.71	375.75
Freight and forwarding	16.88	16.67
Rent	2.39	1.59
Rates and taxes	2.79	14.20
Communication expenses	3.60	3.05
Repairs and maintenance		
Building	29.82	10.07
Machinery	28.84	23.92
Others	32.82	30.96
Insurance	23.13	19.04
Travelling and conveyance	6.57	1.94
Advertisement and selling expenses	0.22	3.07
Commission on sales	1.36	1.82
Legal and professional fees	103.89	113.86
Payments to auditors (refer note (i) below)	8.67	9.22
Analytical charges	8.41	9.52
CSR expenses (refer note 52)	4.63	4.29
Allowances for doubtful trade receivables	(0.43)	-
Bad loans and advances written off	-	0.17
Provision for other than temporary diminution in value of investments	-	(112.18)
Investment written off	-	112.18
Property, plant and equipment written off	1.07	-
Others	47.76	52.75
Total	754.84	843.38

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

37 Other expenses (Contd.)

Note:

(i) Payments to the auditors comprises (net of Goods and Services Tax):

	Year ended 31 March 2023	Year ended 31 March 2022
As auditors - statutory audit (including fees for undertaking limited reviews)	8.55	6.20
Fee for certification and other services	0.04	2.95
Reimbursement of expenses	0.08	0.07
Total	8.67	9.22

38 Acquisition related cost

	Year ended 31 March 2023	Year ended 31 March 2022
Acquisition Cost of Tineta Pharma Private Limited	9.90	-
Total	9.90	-

39 Earnings per share

Profit attributable to equity shareholders

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year attributable to equity holders of the Company	(60.80)	147.99
Profit attributable to equity shareholders for basic and diluted earnings	(60.80)	147.99

Weighted average number of equity shares

	Year ended 31 March 2023	Year ended 31 March 2022
Equity shares at beginning of the year	248,370,995	248,370,995
Weighted average no. of shares issued during the year	1,062,500	-
Weighted average effect of treasury shares	(962,250)	(962,250)
Weighted average number of equity shares at end of the year for basic EPS	248,471,245	247,408,745
Share options*	1,643,156	3,324,501
Weighted average number of equity shares at end of the year for diluted EPS	250,114,401	250,733,246
Basic earnings per share (in ₹)	(0.24)	0.60
Diluted earnings per share (in ₹)	(0.24)	0.59

*As the share options have an anti-dilutive effect on diluted EPS, basic EPS has been considered as diluted EPS.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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 2023	Year ended 31 March 2022
i) Income tax expense recognised in the standalone statement of profit and loss		
Current tax	0.20	25.12
Total (I)	0.20	25.12
Deferred tax charge		
Origination and reversal of temporary differences	(30.94)	(1.03)
Total (II)	(30.94)	(1.03)
MAT		
MAT credit entitlement	-	6.23
Total (III)	-	6.23
Provision for tax of earlier years written back (IV)	(5.92)	(21.41)
Total (V = I+II+III+IV)	(36.66)	8.91
ii) Tax on other comprehensive income		
Re-measurement (gains) / losses on defined benefit plans	-	0.31
Income tax relating to items that will not be reclassified to profit or loss	8.16	-
Deferred tax relating to items that will not be reclassified to profit or loss	(28.80)	(46.76)
Total (VI)	(20.64)	(46.45)
Total (V+VI)	(57.30)	(37.54)

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:

	As at 31 March 2023	As at 31 March 2022
Profit before tax	(97.46)	156.90
Statutory income tax rate	29.12%	29.12%
Tax as per applicable tax rate	(28.38)	45.69
Differences due to:		
- Exempted income	-	(13.33)
- Effect of additional allowance net of MAT credit	-	(0.48)
- Provision for tax of earlier years written back	(5.92)	(21.41)
- Effect of deferred tax on brought forward business losses	-	-
- Effect of CSR expenses, corporate guarantee commission, MSME interest and others	(2.36)	(1.56)
Income tax expenses charged to the standalone statement of profit and loss	(36.66)	8.91
Effective tax rate	37.61%	5.68%

During the year the Company has recognised MAT credit entitlement which is expected to be available for set off in the future years.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

40 Reconciliations of tax expenses and details of deferred tax balances (Contd.)

C) Movement in deferred tax assets and liabilities

	As at 01 April 2022	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2023
Deferred tax asset (net)				
- Temporary differences on account of depreciation	(1.77)	0.33	-	(1.44)
- Expenses allowable on payment basis	11.74	(0.05)	(0.38)	11.31
- Carried forward of losses	-	30.66	-	30.66
- Temporary differences on quoted equity instruments valued at fair value	(21.02)	-	21.02	-
- Prior period MAT credit	-	2.63	-	2.63
- MAT credit entitlement	71.36	-	7.78	79.14
Total	60.31	33.57	28.42	122.30
	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2022
Deferred tax asset (net)				
- Temporary differences on account of depreciation	(1.02)	(0.75)	-	(1.77)
- Expenses allowable on payment basis	10.27	1.78	(0.31)	11.74
- Temporary differences on quoted equity instruments valued at fair value	(67.78)	-	46.76	(21.02)
- MAT credit entitlement	77.59	(6.23)	-	71.36
Total	19.06	(5.20)	46.45	60.31

(D) The Company has not opted for section 115BAA introduced under Taxation Law (Amendment) Ordinance, 2019, considering the accumulated MAT credit and other benefits available under the Income Tax Act, 1961.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

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 ₹ 13.70 (31 March 2022 : ₹12.88) for Provident Fund contributions and ₹ 1.74 (31 March 2022 : ₹ 1.64) for Employee State Insurance Scheme contributions in the standalone statement of profit and loss. As at 31 March 2023, contribution of ₹ 2.20 (31 March 2022 : ₹ 2.29) 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.

	As at 31 March 2023	As at 31 March 2022
Expense / (income) recognised in the statement of profit and loss:		
Current service cost	3.20	4.26
Net interest cost	1.32	1.23
Expected return on plan assets	-	(0.11)
Component of defined benefit costs recognised in the statement of profit and loss	4.52	5.38
Expense / (income) recognised in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expenses)	-	1.86
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.31)	(5.63)
Actuarial (gains) / losses arising from change in financial assumptions	(0.65)	3.09
Actuarial (gains) / losses arising from experience adjustment	(0.48)	(0.37)
Components of defined benefit costs recognised in other comprehensive income	(1.44)	(1.05)
Total	3.08	4.33

The current service cost is included in 'Employee benefit expenses' and net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet:

	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation (DBO)	19.98	22.69
Fair value of plan assets	-	-
Net liability recognised in balance sheet	19.98	22.69

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

41 Employee benefit plans (Contd.)

A. Movements in the present value of the defined benefit obligation are as follows:

	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	22.69	19.54
Current service cost	3.20	4.26
Interest cost	1.32	1.23
Benefits paid	(5.79)	(1.67)
Acquisition / Divestiture	-	2.24
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.31)	(5.63)
Actuarial (gains) / losses arising from changes in financial assumptions	(0.65)	3.09
Actuarial (gains) / losses arising from changes in experience adjustment	(0.48)	(0.37)
Closing defined benefit obligation	19.98	22.69

B. Movements in the fair value of plan assets are as follows:

	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	-	1.75
Opening Fair Value adjustments	-	-
Expected return on plan assets	-	0.11
Actuarial gain / (loss)	-	(1.86)
Closing fair value of plan assets	-	-
Estimate amount of contribution in immediate next year		

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.

	As at 31 March 2023	As at 31 March 2022
Financial assumption:		
Discount rate	7.36%	6.88%
Salary escalation rate	7.00%	7.00%
Demographic assumption:		
Withdrawal rate	15.00%	12.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 yrs	58 yrs

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

41 Employee benefit plans (Contd.)

The rate used to discount post-employment benefit obligation (both funded and unfunded) is determined by reference to market yields at the end of each reporting period on government bonds.

	As at 31 March 2023	As at 31 March 2022
Expected future cash flows		
Within 1 Year	2.44	6.61
2-5 years	11.51	7.40
6-10 years	8.75	9.13

Average expected future working life is 6.21 years (previous year 7.25 years)

Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

31 March 2023	Impact on the defined benefit obligation	
	100 bps increase	100 bps decrease
Discounting rate	(1.00)	1.05
Salary escalation rate	1.05	(1.01)
31 March 2022	Impact on the defined benefit obligation	
	100 bps increase	100 bps decrease
Discounting rate	(1.22)	1.02
Salary escalation rate	1.01	(1.23)

42 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2023	As at 31 March 2022
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	36.00	6.03
Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary	2,627.11	2,451.72

43 Dues to micro, small and medium enterprises (refer note 26)

	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	41.75	77.90
Interest due on above	0.27	0.56
	42.01	78.46

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

43 Dues to micro, small and medium enterprises (refer note 25) (Contd.)

	As at 31 March 2023	As at 31 March 2022
The amount of interest paid by the buyer in terms of section 16 of the MSME Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act 2006.	1.02	1.38
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.78	2.75
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act 2006	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

44 Segment Reporting

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment are presented in these Standalone Financial Statements.

45 Related party transactions

45.1 List of related parties

(I) Related parties where control exists

- (a) Holding Company
CA Harbor Investments

(b) Subsidiaries

Wholly-owned subsidiaries:

Alivira Animal Health Limited, India

SeQuent Research Limited

Step down subsidiaries:

Alivira Animal Health Limited, Ireland

Provet Veteriner Ürünleri San. Ve Tic. A. Ş.

Topkim Topkapi İlaç premiks Sanayi Ve Ticaret A.Ş.

Fendigo SA

Fendigo BV

N-Vet AB

Alivira Saude Animal Brasil Participacoes Ltda

Alivira Saude Animal Ltda. (Name changed from Interchange Veterinária Indústria E Comércio Ltda w.e.f 20 January 2022)

Vila Viña Participacions S.L.

Laboratorios Karizoo, S.A.

Laboratorios Karizoo, S.A. DE C.V. (Mexico)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

45 Related party transactions (Contd.)

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 'E Vance Saude Animal Ltda w.e.f 03 February 2021)
Alivira Italia S.R.L.
Alivira Animal Health USA LLC
Alivira Animal Health UK Ltd (Incorporated on 29 April 2020)
Nourrie Saúde e Nutrição Animal Ltda (amalgamated wef 1st July 2022)

(II) Other related parties with whom transactions have taken place during the year

(a) Key management personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director (till 10 April 2022)
Mr. Rajaram Narayanan, Chief Executive Officer & Managing Director (appointed w.e.f 11 April 2022)
Mr. Sharat Narasapur, Joint Managing Director
Mr. Tushar Mistry, Chief Financial Officer (till 31 May 2022)
Mr. Rahul Mukim, Non-Executive Director (till 06 Dec 2022)
Mr. P.V. Raghavendra Rao, Chief Financial Officer (w.e.f. 25 July 2022)
Dr. Kamal K Sharma, Independent Director (w.e.f. 25 August 2020)
Mr. Milind Sarwate, Independent Director (w.e.f. 25 August 2020)
Mr. Neeraj Bharadwaj, Non-Executive Director (w.e.f. 17 August 2020)
Mr. Gregory Andrews John, Non-Executive Director (w.e.f. 06 November 2020)
Dr. Fabian Kausche, Non-Executive Director (w.e.f. 14 December 2020)
Dr. Kausalya Santhanam, Independent Director

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	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sale of materials / services						
Alivira Animal Health Limited, India	1,359.64	1,283.45				
Alivira Saude Animal Ltda.			10.26	-		
Sale of machinery / assets						
Alivira Animal Health Limited, India	-	0.52				

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

45 Related party transactions (Contd.)

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Interest and other income						
Alivira Animal Health Limited, India (*)	217.47	175.18				
Dividend income						
SeQuent Research Limited	-	44.10				
Purchase of material						
Alivira Animal Health Limited, India	27.68	56.59				
Purchase of import license						
Alivira Animal Health Limited, India	1.26	2.90				
Purchase of machinery / assets						
SeQuent Research Limited	0.05	-				
Managerial remuneration (**) (excluding costs relating to post employment benefits)						
Mr. Manish Gupta (#)						
Short-term benefits					0.69	12.26
Termination benefits					8.33	-
Share-based payments					-	68.08
Total					9.02	80.34
Mr. Rajaram Narayanan (#)						
Short-term benefits					29.44	-
Total					29.44	-
Mr. Tushar Mistry (#)						
Short-term benefits					1.43	7.90
Termination benefits					2.58	-
Share-based payments					-	2.58
Total					4.01	10.48
Mr. P.V. Raghavendra Rao (#)						
Short-term benefits					8.23	-
Total					8.23	-
Directors Sitting Fees						
Dr. Kausalya Santhanam					1.00	0.70
Dr. Kamal K Sharma					1.70	2.40
Mr Milind Sarwate					1.80	2.50
Gregory Andrews John					0.50	0.60
Dr Fabian Kausche					0.50	0.60
Directors Commission						
Dr. Kamal K Sharma					-	0.39
Mr Milind Sarwate					-	0.39

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

45 Related party transactions (Contd.)

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Gregory Andrews John					-	0.78
Dr Fabian Kauche					-	0.78
Dr.Kausalya Santhanam					-	0.39
Corporate cross charge income						
Alivira Animal Health Limited, India	32.62	25.88				
SeQuent Research Limited	3.74	3.54				
Corporate cross charge Expenses						
Alivira Animal Health Limited, India	43.96	27.00				
Analytical charges						
SeQuent Research Limited	5.97	7.66				
Processing and conversion charges received						
Alivira Animal Health Limited, India	98.51	33.37				
Investment during the year						
Alivira Animal Health Limited, India (***)	107.75	134.99				
Rental income						
Alivira Animal Health Limited, India	9.94	9.26				

(*)Interest income for the year is receivable as on the reporting date and has been included in the loan receivable amount

(**) Expenses towards gratuity and compensated absences provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

(***) On account of ESOP issued and lapsed to the employees of subsidiary company and guarantee given on behalf on subsidiary company

(#) The managerial remuneration is approved by the members in the Annual General Meeting on 20th September, 2022.

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Loans given to Company						
Alivira Animal Health Limited, India	645.00	20.00				
Commission on corporate guarantee given for loan facility						
Alivira Animal Health Limited, India	16.23	10.21				

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

45 Related party transactions (Contd.)

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Commission on corporate guarantee received for loan facility						
Alivira Animal Health Limited, India	1.90	1.90				
Additional / (reduction) of guarantee given during the year (net)						
Alivira Animal Health Limited, India	175.39	423.49				
ESOP given to employees of Subsidiary company						
Alivira Animal Health Limited, India	148.40	150.53				

45.3 Balance as at Balance Sheet date

	Wholly owned subsidiaries		Step down subsidiaries		Key management personnel	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Trade receivables						
SeQuent Research Limited	0.14	-				
Alivira Animal Health Limited, India	45.23	290.59				
Loans receivable						
Alivira Animal Health Limited, India	3,225.68	2,384.96				
Trade payable balance						
SeQuent Research Limited	0.03	1.23				
Corporate Guarantee given to lender for loan facility						
Alivira Animal Health Limited, India	2,627.11	2,451.72				
Corporate Guarantee received for loan facility						
Alivira Animal Health Limited, India	380.00	380.00				

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

46 Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company implemented "SeQuent Scientific Employees Stock Option Plan 2010" (SeQuent ESOP 2010), as approved by the Shareholders of the Company on 24 May 2010 and it was further modified by the member on 24 September 2015. Further the company has implemented "SeQuent Scientific Employees Stock Option Plan 2020" (SeQuent ESOP 2020) as approved by shareholders on 17 January 2021

Employees Stock Option Plan:

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
30 May 2013 (*)	27,00,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
12 February 2014 (*)	5,00,000		
28 May 2014 (*)	9,00,000		
12 November 2014 (*)	10,00,000		
11 January 2016 (*)	5,00,000		
14 May 2016	3,45,000		
23 May 2017	50,000		
02 November 2018	26,60,000		
03 July 2019	11,35,000		
21 September 2020 (#)	1,11,600		
01 March 2021	73,50,000	The options granted would normally vest over a maximum period of 5 to 7 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 Years
22 February 2022	10,00,000		
11 April 2022	71,00,000		
25 July 2022	5,00,000		

* 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 2022-23 is ₹ 114.14 (31 March 2022: ₹ 60.85) Net of recoveries of ₹ 239.97 (31 March 2022 : ₹ 272.22) 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 2023 is ₹ 562.26 (31 March 2022 : ₹ 379.58)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

46 Share-based payment arrangements (Contd.)

B. Measurement of fair values

Fair value of share options granted in the year

The weighted average fair value of the share options granted on 11 April 2022 ranges from ₹ 73.60 to ₹ 108.30 and granted on 25 July 2022 ranges from ₹ 47.44 to ₹ 66.80 (22 February 2022 ranges from ₹ 63.58 to ₹ 85.45) 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 2023	31 March 2023	31 March 2022
Grant date	25 July 2022	11 April 2022	22 February 2022
Grant date share price	118.50	149.30	139.70
Exercise price	86.00	86.00	86.00
Expected volatility	45.24% to 48.18%	50.9% to 55.2%	44.41%
Option life	1.5 to 5 years	1.5 - 7.5 years	3.10 year
Dividend yield	0.50	0.20	0.50
Risk-free interest rate	6.57% to 7.2%	4.74% - 6.5%	5.50%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	March 31, 2023		March 31, 2022	
	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	34,52,500	85.41	79,35,900	82.60
Granted during the year	76,00,000	86.00	10,00,000	86.00
Exercised during the year	-	-	15,91,500	70.71
Forfeited during the year	80,000	86.00	38,91,900	85.85
Options outstanding at the end of the year	1,09,72,500	85.81	34,52,500	85.41

D. Share options outstanding at the end of the year

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 85.81 (as at 31 March 2022 : ₹ 85.41) and weighted average remaining contractual life of 6.5 years (31 March 2022 : 2.86 years).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

47 Lease Accounting

(i) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 March 2023	As at 31 March 2022
Balance as on 01 April	13.54	4.41
Additions	7.93	16.90
Accretion of interest	0.88	1.11
Payments	(10.60)	(8.88)
Closing Balance	11.75	13.54
Current	9.09	7.27
Non-current	2.67	6.27

The effective interest rate for lease liabilities is between 7.5% to 10.5 %, with maturity between 2019- 2023

(iii) Impact on statement of profit and loss decrease in profit for the year

	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right-of-use assets (Refer note 36)	12.86	11.48
Finance costs (Refer note 35)	0.88	1.11
Net decrease in profit for the year	13.74	12.59

(iv) Maturity Analysis of Lease (Refer Note 50.4)

(v) Impact on the statement of cash flows increase / (decrease)

	As at 31 March 2023	As at 31 March 2022
Payment of principal portion of lease liabilities	(9.72)	(7.77)
Payment of interest portion of lease liabilities	(0.88)	(1.11)
	(10.60)	(8.88)

48 Ratio Analysis

Sr. No.	Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% of Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	1.38	1.81	(24%)	Refer Note 1
2	Debt-Equity Ratio	Total Debts	Shareholder's Equity	0.02	0.01	21%	Refer Note 2
3	Debt Service Coverage Ratio	PAT+ Depreciation + Interest	Debt Service	1.66	13.17	(87%)	Refer Note 3
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.58%)	1.43%	(2.01%)	Refer Note 4
5	Inventory turnover ratio	Sale of products	Average Inventory	3.66	3.80	(4%)	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

48 Ratio Analysis (Contd.)

Sr. No.	Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% of Variance	Remarks
6	Trade Receivables turnover ratio	Sale of products	Avg. Accounts Receivable	6.74	3.79	78%	Refer Note 5
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	2.45	3.86	(36%)	-
8	Net capital turnover ratio	Sale of products	Working Capital	9.47	3.31	186%	Refer Note 6
9	Net profit ratio	Profit after Tax	Net Sales	(0.03)	0.07	(141%)	Refer Note 7
10	Return on Capital employed	Earning before interest and taxes	Tangible Net Worth+Total Debt+ Deferred Tax liability	(0.68%)	1.66%	(2.34%)	Refer Note 8
11	Return on investment	Earning before interest and taxes	Total assets	(0.01)	0.02	(142%)	Refer Note 9

Notes:

- 1 Decrease in trade receivables, cash and cash equivalents and inventories during the year
- 2 Increase in short-term borrowings during the current year
- 3 Decrease in profit and increase in debt service during the current year
- 4 Decrease in profit during the current year
- 5 Decrease in trade receivables during the year
- 6 Decrease in working capital in the current year
- 7 Decrease in profit during the current year
- 8 Decrease in profit during the current year
- 9 On account of losses during the current year

49 Transaction with Struck off companies as on 31 March 2023

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2023	Relationship with the Struck off company
Taneesh Travel And Tours Private Limited (Opc)	Employee Travel expenses	(0.00)	Vendor

Transaction with Struck off companies as on 31 March 2022

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2022	Relationship with the Struck off company
Elysian Life Sciences Private Limited	Balances written off	-	Wholly-owned subsidiaries
Taneesh Travel & Tours Pvt Ltd	Employee Travel expenses	-	Vendor

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments

The carrying value and fair value of financial instruments by categories are as follows:

	Carrying value and fair value	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Measured at amortised cost		
Investment in subsidiaries	6,324.67	6,216.92
Other investments	0.05	0.05
Trade receivables	136.47	524.17
Cash and cash equivalents	0.83	127.96
Other bank balances	0.94	0.92
Loans	3,226.60	2,385.26
Other financial assets	26.85	10.39
Measured at fair value through other comprehensive income (FVTOCI)		
Investment in equity instruments (Quoted)	0.46	369.12
Total	9,716.87	9,634.79
Financial liabilities		
Measured at amortised cost		
Borrowings	190.99	155.00
Lease liabilities	11.76	13.54
Trade payables	367.08	575.59
Other financial liabilities (including current and non-current)	13.89	9.71
Total	583.72	753.84

50.1 Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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 2023 and 31 March 2022:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at fair value through other comprehensive income (note 5 and 12):					
Investment in equity instruments (Quoted)	31 March 2023	0.46	0.46	-	-
Investment in equity instruments (Quoted)	31 March 2022	369.12	369.12	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

- Refer note 2.4(xviii) under significant accounting policies for recognition and measurement of financial assets.
- The fair value of the investments in equity is based on the quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments (Contd.)

- Price risk- The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

50.2 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and deposits that are derived directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these standalone financial statements.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange / Regulations. The Audit Committee comprises of two non executive independent directors and one non-executive director nominated by the Board of Directors.

The Audit Committee oversees how management ensures compliance of Internal Control Systems, compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit Committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit in order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

50.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments (Contd.)

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months:

	As at 31 March 2023	As at 31 March 2022
Payment of principal portion of lease liabilities	-	-
Payment of interest portion of lease liabilities	136.47	524.17
	136.47	524.17

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 group is approximately ₹ 326.83 (31 March 2022 : ₹ 527.31) representing 15% (31 March 2022 : 24%) of Company's total revenue from business for the year ended 31 March 2023 and total exposure in receivables is Nil % for the year ended 31 March 2023 (31 March 2022: 43%). 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 2023, an amount of ₹ 2627.11 (31 March 2022 : ₹ 2451.72) is outstanding as financial guarantee. These financial guarantees have been issued to banks and other parties with whom loan agreements have been entered by the subsidiary.

50.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by treasury. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023			Total
	Less than 1 year	1-2 years	2 years and above	
Borrowings	190.99	-	-	190.99
Trade payables	367.08	-	-	367.08
Other financial liabilities	13.89	-	-	13.89
Lease liabilities	9.09	2.67	-	11.76
Total	581.05	2.67	-	583.72
Financial guarantee				2,627.11

Particulars	As at 31 March 2022			Total
	Less than 1 year	1-2 years	2 years and above	
Borrowings	155.00	-	-	155.00
Trade payables	575.59	-	-	575.59
Other financial liabilities	8.21	1.50	-	9.71
Lease liabilities	7.27	4.96	1.31	13.54
Total	746.07	6.46	1.31	753.84
Financial guarantee				2,451.72

50.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to interest rate risk arising mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. Considering the country and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rate in those countries. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rate foreign currency exposure.

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments (Contd.)

a) Foreign currency risk from financial instruments are given below:

Foreign currency	As at 31 March 2023		As at 31 March 2022	
	Receivable /	Receivable /	Receivable /	Receivable /
	(payable)	in foreign currency	(payable)	in foreign currency
USD	24.84	0.30	35.70	0.47
Euro	3.45	0.04	-	-
USD	(17.16)	(0.21)	(63.92)	(0.84)
JPY	(0.37)	(0.60)	(0.60)	(0.96)
Euro	(0.15)	(0.00)	-	-
Net Exposure	10.61		(28.82)	

b) Foreign currency sensitivity analysis

The Company is mainly exposed to currency fluctuation of USD.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 10% change in foreign currency rates. A positive numbers below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

	Impact on profit or loss and total equity	
	31 March 2023	31 March 2022
10% decrease in foreign currency		
Currency of U.S.A (USD)	(0.77)	2.82
Others	(0.31)	0.06
10% increase in foreign currency		
Currency of U.S.A (USD)	0.77	(2.82)
Others	0.31	(0.06)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

50.6 Financial instrument - Risk exposure and fair value

Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates

Interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments are as follows:

	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial assets		
-Margin money deposit	0.77	0.74
Total	0.77	0.74

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

50 Financial instruments (Contd.)

	31 March 2023	31 March 2022
Variable-rate instruments		
Financial assets		
- Loans	3,225.68	2,384.96
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	190.99	155.00
Total	190.99	155.00

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 2023		
Variable-rate instruments	30.35	(30.35)
	30.35	(30.35)
31 March 2022		
Variable-rate instruments	22.30	(22.30)
	22.30	(22.30)

51 Capital Management

For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31 March 2023, 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

51 Capital Management (Contd.)

The Company's Gearing Ratio at end of the year is as follow.

Particulars	31 March 2023	31 March 2022
(i) Borrowings (refer note (i) below)	190.99	155.00
(ii) Cash and cash equivalents	0.83	127.96
(iii) Other bank balance (margin money) (refer note (ii) below)	0.77	0.62
(iv) Current investment	0.46	1.38
Net debt [(i) - { (ii)+(iii)+(iv) }]	188.93	24.92
Total equity	10,583.62	10,410.88
Gearing ratio (Refer note (iii) below)	1.79%	0.24%

(i) Debt is defined as long-term (including current maturity of long term borrowings excluding financial guarantee contracts) and short-term borrowings.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Total Equity.

52 Corporate Social Responsibility Expenses (CSR)

The Company has incurred below expenses towards CSR activities as per section 135 of the Companies Act, 2013 and is included in other expenses.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year	4.63	4.29
(ii) Amount of expenditure incurred	4.63	3.79
(iii) Shortfall at the end of the year*	-	0.50
(iv) Total of previous years shortfall	0.50	0.97
(v) Total CSR Expenditure	4.63	4.29
(vi) Nature of CSR activities	Promoting healthcare, promoting education, rural development projects etc.	
	-	-
Utilization of Unspent CSR of FY 21-22		
Chirag Rural Development Foundation	-	-
Dev Loka Educational Trust	-	0.50
Total	-	0.50

*Amount was transferred to unspent CSR account.

53 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transaction Prohibition Act, 1988 and rules made thereunder.

54 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

55 The Company do not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period

56 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

57 The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated

58 The Company has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013

59 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

60 A. The Company has not advanced or loaned or invested funds to any other persons or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B. The Company has not received any fund from any persons or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

61 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

62 The standalone financial statements were approved for issue by the board of directors on 23 May 2023

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number- 324982E / E300003

Per **Anil Jobanputra**

Partner

Membership No: 110759

Rajaram Narayanan

Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narasapur

Joint Managing Director
DIN:02808651

P V Raghavendra Rao

Chief Financial Officer

Krunal Shah

Company Secretary
Membership No: 26087

Thane, 23 May 2023



SeQuent Scientific Limited

Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane (West) - 400 604, Maharashtra, India.

Tel No.: +91 22 4111 4777 | **CIN:** L99999MH1985PLC036685

Website: www.sequent.in | **Email:** investorrelations@sequent.in

Notice

NOTICE is hereby given that the Thirty-Eight Annual General Meeting ('AGM') of the Members of SeQuent Scientific Limited (the '**Company**') will be held on Wednesday, August 30, 2023 at 04.30 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 ending March 31, 2023

To receive, consider, approve and adopt:

- the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the reports of Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, and the report of the Auditors thereon.

Item No. 2: Appointment of Director

To appoint a director in place of Mr. Gregory Andrews (DIN: 08904518), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

Item No. 3: Ratification of remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, Cost Auditors of the Company for the Financial Year ending March 31, 2024

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration not exceeding ₹ 3,85,000/- (Rupees Three Lakhs Eighty Five Only) plus applicable taxes (less TDS) and reimbursement of out of pocket expenses, payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), the Cost Auditors of the Company as approved by the Board of Directors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2024 be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

Item No. 4: Appointment of Mr. Hari Babu Bodepudi as a Non-Executive Non-Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Hari Babu Bodepudi (DIN: 01119687), who was appointed as an Additional Director by the Board of Directors on August 07, 2023, and who holds his office upto the date of the next Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for

the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

Item No. 5: Amendment to SeQuent Scientific Limited Employee Stock Option Plan 2020:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to regulation 7(1) and other applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Companies Act, 2013 and any other applicable laws, rules and regulations for the time being in force, the approval of the members of the Company be and is hereby accorded to amend the SeQuent Scientific Limited Employee Stock Option Plan 2020, as under:

Clause No.	Existing clause /provision	Proposed changes
3.9	'Class A Options' means the type of Options as defined in Clause 4.1.1 of this Scheme	'Class A Options' means the type of Options which will be issued with vesting conditions as stated in Clause 10.1 of this Scheme
3.10	'Class B Options' means the type of Options as defined in Clause 4.1.2 of this Scheme	'Class B Options' means the type of Options which will be issued with vesting conditions as stated in Clause 10.2 of this Scheme
3.11	'Class C Options' means the type of Options as defined in Clause 4.1.3 of this Scheme	'Class C Options' means the type of Options which will be issued with vesting conditions as stated in Clause 10.3 of this Scheme
4.1	The shareholders of the Company have vide their resolution dated January 17, 2021 approved the SeQuent ESOP 2020 authorising the Board to grant 1,85,00,000 (One Crore Eighty Five Lakhs only) Employee Stock options to the Eligible Employees in one or more tranches, from time to time as per the Plan as mentioned below:	The shareholders of the Company have vide their resolution dated January 17, 2021 approved the SeQuent ESOP 2020 authorising the Board to grant 1,85,00,000 (One Crore Eighty Five Lakhs only) Employee Stock options to the Eligible Employees in one or more tranches, from time to time as per the Plan.
	4.1.1 1,00,00,000 (One Crore Options) for grant of Class A Options	
	4.1.2 60,00,000 (Sixty Lakh Options) for grant of Class B Options and	
	4.1.3 25,00,000 (Twenty Five Lakhs Options) for grant of Class C Options.	
5.1	The maximum aggregate number of Equity Shares, which may be subject to Option and granted under the Scheme to all the eligible employees, is 1,85,00,000 (One Crore Eighty Five Lakhs only) Equity Shares of Rs.2/- each, with each such option conferring a right upon the Employees to apply for one Share in the Company, in accordance with terms and conditions of SeQuent ESOP 2020 divided as under:	The maximum aggregate number of Equity Shares, which may be subject to Option and granted under the Scheme to all the eligible employees, is 1,85,00,000 (One Crore Eighty Five Lakhs only) Equity Shares of ₹ 2/- each, with each such option conferring a right upon the Employees to apply for one fully paid Share in the Company, in accordance with terms and conditions of SeQuent ESOP 2020.
	5.1.1 1,00,00,000 (One Crore Options) for grant of Class A Options and	
	5.1.2 60,00,000 (Sixty Lakh Options) for grant of Class B Options and	
	5.1.3 25,00,000 (Twenty Five Lakhs Options) for grant of Class C Options	



Clause No.	Existing clause /provision	Proposed changes
10.2	<p>Vesting of Class B Options</p> <p>Currently, the Scheme provides for vesting of Class B Options Completion of 7th year commencing from the date of grant of options,</p> <p>OR</p> <p>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</p> <p>In any case, the vesting will be subject to completion of one year from the date of the grant</p>	<p>It is now proposed to give flexibility to the NRC to decide on the 'Market Cap' to be achieved for the purpose of vesting and the percentage that will vest which will be linked to the 'Market Cap' to be achieved. Such predetermined Market Cap will be agreed to at the time of grant of options and specified in the Option Letter to be issued at the time of grant of options.</p>

RESOLVED FURTHER THAT the Board of Directors, Nomination and Remuneration Committee or the Company Secretary be and are hereby authorized to do all acts and take all steps as may be necessary, proper and expedient to give effect to this resolution

By order of the Board of Directors of
SeQuent Scientific Limited

Place: Thane

Date: August 07, 2023

Krunal Shah

Company Secretary & Compliance Officer
Membership No.: ACS 26087

NOTES:

- The Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 10/2022, dated December 28, 2022 read together with General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 2/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 (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, relying on the MCA Circulars and in compliance with the 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 38th 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.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the Special Business as specified under Item No. 3, 4 & 5 of the accompanying Notice is annexed hereto. Further, disclosures in relation to Item No. 2 and 4 of the Notice, as required under the Listing Regulations and the Secretarial Standard-2 ('SS-2) on General Meeting issued by the Institute of Company Secretaries of India forms part of this Notice as **Annexure-A**.
- In line with the MCA Circulars, and SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, the notice of the 38th AGM along with the Annual Report 2022-23 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 2022-23 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>
- Pursuant to the provisions of the Act, a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of the Members has been dispensed with and consequently, the facility for appointment of proxies by the Members will not be available for the 38th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- Since the AGM will be held through VC/OAVM, the route map of the venue for the Meeting is not annexed hereto.
- The following documents will be available for inspection by the Members electronically during the AGM.
 - Certificate from the Secretarial Auditors confirming that the Sequent Scientific Limited Employee Stock Options Plan 2020 has been implemented in accordance with the Securities Exchange Board of India (Share Based Employee Benefits and Sweta Equity Shares) Regulations, 2021.
 - Register of Directors and Key Managerial Personnel and their Shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act.

Members seeking to inspect such documents can send an e-mail to investorrelations@sequent.in

- Members desirous of obtaining any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before August 25, 2023 through an e-mail to investorrelations@sequent.in specifying his/her name along with Client ID/ DP ID or Folio No., as the case may be and the replies to these queries may be given by the Chairman/ Managing Director during the course of AGM or subsequently via e-mail.

8. KYC Updation

SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.

Non-Resident Indian Members are requested to inform RTA/ respective Depository Participants, immediately of any:

- Change in their residential status on return to India for permanent settlement.
- Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar and Transfer Agent of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

9. Procedure for e-voting and joining AGM through VC/OAVM

In compliance with the provisions of Section 108 of the Act read with Relevant Rules, SS-2, Regulation 44 of the Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through KFin Technologies Limited (Formerly Known as KFin Technologies Private Limited).

General instructions for accessing and participating in the AGM through VC/OAVM Facility and voting through electronic means including remote e-voting is annexed hereto as **Annexure-B**.

10. Scrutinizer for the AGM

The Company has appointed M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS 4554) or failing him, Ms. Hetal Shah (having Membership No. FCS 8063) to scrutinize the remote e-voting process and e-voting done through VC at the AGM in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman or the Company Secretary after completion of the scrutiny.

Results of the Meeting along with the Scrutinizers Report shall be declared by the Chairman or the Company Secretary within the timeline prescribed under the Listing Regulations and shall be displayed on the Company's website, besides being communicated to the Stock Exchanges, Depositories and Registrar and Transfer Agent.



11. Email Address Registration/Updation

Those Members who have not yet registered or updated their email addresses are requested to register or update their email addresses by following the procedure given below for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company:

- Members holding shares in Demat form may temporarily register their e-mail addresses with the RTA at inward.ris@kfintech.com or Company at investorrelations@sequent.in by providing details such as Name, DPID/Client ID, PAN, mobile number and e-mail ID. It is clarified that for permanent registration of e-mail address, the Members are requested to register the same with their respective Depository Participant.
- Members holding shares in physical form, are requested to register or update their email addresses by submitting physical copy of Form ISR-1 to the RTA at below mentioned address along with the scanned copy of Form ISR-1 to RTA at inward.ris@kfintech.com and the Company at investorrelations@sequent.in:

KFin Technologies Limited

(formerly known as KFin Technologies Private Limited)

Unit: Sequent Scientific Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial District
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032.

ISR-1 Form can be downloaded from the web link: https://sequent.in/pdf/downloads/Form%20ISR-1_p.pdf.

12. KPRISM from KFinTech, RTA

Members are requested to note that, our Registrar and Share Transfer Agents (KFinTech/ RTA) have launched a mobile application - KPRISM and a website <https://kprism.kfintech.com/> for our investors. Now you can download the mobile app and see your portfolios serviced by KFinTech.

Check Dividend status, request for annual reports, change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 ('Act'), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 of the accompanying notice:

Item No. 3:

In accordance with the Companies (Cost Records and Audit Rules) 2014, read with the Companies (Cost Records and Audit) Amendment Rules, 2016, the Company is required to conduct cost audit of its records and in that relation, appoint a Cost Auditor within one hundred and eighty days of the commencement of every financial year. In compliance with the same, the Board of Directors, on the recommendation of the Audit Committee had approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353) as the Cost Auditors of the Company for the financial year 2023-24, on remuneration of upto ₹3,85,000/- plus taxes (less TDS) and reimbursement of out-of-pocket expenses.

M/s. Kirit Mehta & Co have also conveyed its willingness to act as Cost Auditors of the Company for the year 2023-24.

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year 2023-24, by passing an Ordinary Resolution as set out in Item No. 3 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 3 for approval by the Members.

Item No. 4:

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Dr. Hari Babu Bodepudi (DIN: 01119687) as an Additional Director on August 07, 2023.

In terms of Section 161(1) of the Companies Act, 2013 ('Act') read with Article 121 of the Articles of Association of the Company, Dr. Hari Babu Bodepudi holds office as an Additional Director up to the date of the next Annual General Meeting.

Dr. Hari Babu Bodepudi has consented to act as a Director in terms of Section 152 of the Act and has provided a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Company has received a notice from CA Harbor Investments (A Carlyle Group Company), who is also part of the Promoter Group of the Company, under Section 160 of the Act, signifying their intention to propose the candidature of Dr. Hari Babu Bodepudi for the office of Director of the Company.

Profile of Dr. Hari Babu Bodepudi

Dr. Hari Babu Bodepudi holds a PhD degree in Organic Chemistry from Andhra University and has over 30 years of Industry experience permeating diverse roles in Research, Manufacturing, Quality and operations in both APIs and Oral Solids.

During the last 20 years, he held several leadership roles in technical and commercial operations in Mylan Laboratories, including being the COO of Mylan India, CEO of Mylan India and the Global COO of Mylan.

He was responsible for more than 50 Mylan facilities and managing more than 200 APIs and 15000 SKUs of different formulations.

At Mylan, he led Mylan's foray into the ARV business and grew that business to over USD800 mn with global leadership (in volume, value and portfolio spread) and more than 50% market share.

He has hands-on experience in global supply chain, regulatory, API R&D, quality and Commercial operations.

Currently he is a Director & CEO at Viyash Life Sciences Private Limited (A Carlyle investee company). He also holds directorship in the following companies:

Symed Labs Limited – Director & CEO

Appcure Labs Private Limited – Director

Vindhya Pharma (India) Private Limited – Director

The other details of Dr. Hari Babu Bodepudi in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are annexed to this Notice.

Recommendation of the Board

The Board of Directors is of the opinion that Dr. Hari Babu Bodepudi's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 4 of this Notice relating to his appointment as a Director, liable to retire by rotation, as an Ordinary Resolution for your approval.

Except Dr. Hari Babu Bodepudi, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in this Resolution.

Item No. 5:

The SeQuent Scientific Limited Employee Stock Option Plan (ESOP Scheme) for grant of 1,85,00,000 Employee Stock Options was operationalized by the Company pursuant to the approval of the Board of Directors and Shareholders on December 14, 2020 and January 17, 2021 respectively. The current scheme needs to be modified to make it attractive to employees and give emphasis on financial performance and value creation. Given the changing business environment it is proposed to give more flexibility to the Nomination and Remuneration Committee, to facilitate the achievement of these goals through appropriate modifications to the scheme.



The current status of options granted, vested, lapsed, exercised and outstanding is as under:

Class	A	B	C	Total
Option as per Scheme	1,00,00,000	60,00,000	25,00,000	1,85,00,000
Granted*	1,31,50,000	53,50,000	9,00,000	1,94,00,000
Lapsed	40,40,000	-	-	40,40,000
Balance Options available for grant	8,90,000	6,50,000	16,00,000	31,40,000
Option granted*	1,31,50,000	53,50,000	9,00,000	1,94,00,000
Vested	19,07,500	-	-	19,07,500
Exercised	10,62,500	-	-	10,62,500
Lapsed	40,40,000	-	-	40,40,000
Vested but not exercised	61,40,000	-	-	61,40,000

*after adding the lapsed/ cancelled options

The Nomination and Remuneration Committee and the Board of Directors have approved amendments to the Scheme which will be beneficial to the employees, as under:

1. Currently, the total number of options under the Scheme are divided into 3 classes with a cap of maximum number of options that can be issued under each class. It is now proposed to remove the cap and provide flexibility to the Board of Directors/ Nomination and Remuneration Committee to grant options to eligible employees based under any Class.

2. Currently, 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

In any case, the vesting will be subject to completion of one year from the date of the grant.

It is now proposed to give flexibility to the NRC to decide on the 'Market Cap' to be achieved for the purpose of vesting and the percentage that will vest which will be linked to the 'Market Cap' to be achieved. Such predetermined Market Cap will be agreed to at the time of grant of options and specified in the Option Letter to be issued at the time of grant of options.

The amendments to the Scheme are detailed in the resolution.

Regulation 7 (1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 states that "A company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees"

The proposed variation to the Scheme are not prejudicial to the Employees of the Company.

The Board of Directors recommends the resolution as stated in Item No. 5 of this notice for the approval of the members by way of special resolution.

A draft copy of the amended SeQuent Scientific Limited Employee Stock Option Plan 2020 will be made available for inspection electronically on all working days between 10.00 A.M. to 01.00 P.M. upto the date of closing of e-voting.

None of the Directors or Key Managerial Personnel of the Company is, in any way, concerned or interested in the resolution, except to the extent of the options held by them that may be granted to them pursuant to the Scheme.

By order of the Board of Directors of
SeQuent Scientific Limited

Place: Thane

Date: August 07, 2023

Krunal Shah

Company Secretary & Compliance Officer

Membership No.: ACS 26087

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. Gregory Andrews, Director of the Company:

Name of the Director	Mr. Gregory Andrews
DIN	08904518
Age	62
Nationality	Australian
Date of first appointment on the Board	November 06, 2020
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	Mr. Gregory Andrews is a multi-disciplinary executive with 30 years of commercial experience in the pharmaceutical industry. He is a dynamic business leader who creates a positive impact on the business environment through change and active engagement of both internal and external stakeholders. Currently, he is a global animal health consultant with offices in the USA and France. He previously held executive positions within three of the major animal health companies where he gained global experience living and working in Australia, Belgium, France and the USA. Marketing, communications and management are core disciplines for Gregory. He has led many marketing teams in the USA and Europe and most recently was the Global Marketing Director for Virbac. He headed global Public Affairs and Policy for Pfizer Animal Health during its IPO transition to Zoetis. He has also held numerous senior management roles including country management for Belgium and the Netherlands and was Vice President for emerging markets in Europe, Africa, Middle East, Russia and CIS. He received a Bachelor of Science (Hons) from Monash University, Australia and Post Graduate Diplomas in both Business Management and International Relations from the University of Tasmania, Australia.
Terms and conditions of appointment or Reappointment	Liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Sitting Fees for attending each meeting of the Board and Committee. Commission: As approved by shareholders, Non-Executive Directors, including Independent Directors are eligible to receive upto 2% of the Commission of the net profits of the Company for that financial year computed in the manner provided in Section 198 of the Act. Details of last drawn remuneration is available in the Corporate Governance Report.
Shareholding in SeQuent Scientific Limited as at the date of notice	Nil
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2022-23	Board Meetings: 5 out of 5
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	He is not a Member/Chairman of any Committees
List of Directorships held in Other Companies	He is not a director of any other Indian company
Listed entities from which the appointee has resigned in the past 3 years:	None

**ANNEXURE – A (Contd.)**

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. Hari Babu Bodepudi, Director of the Company:

Name of the Director	Mr. Hari Babu Bodepudi
DIN	01119687
Age	59
Nationality	Indian
Date of first appointment on the Board	07-08-2023
Brief resume, Qualification(s), Experience and Nature of expertise in specific function	<p>Dr. Hari Babu Bodepudi holds a PhD degree in Organic Chemistry from Andhra University and has over 30 years of Industry experience permeating diverse roles in Research, Manufacturing, Quality and operations in both APIs and Oral Solids.</p> <p>During the last 20 years, he held several leadership roles in technical and commercial operations in Mylan Laboratories, including being the COO of Mylan India, CEO of Mylan India and the Global COO of Mylan.</p> <p>He was responsible for more than 50 Mylan facilities and managing more than 200 APIs and 15000 SKUs of different formulations.</p> <p>At Mylan, he led Mylan's foray into the ARV business and grew that business to over USD800 mn with global leadership (in volume, value and portfolio spread) and more than 50% market share.</p> <p>He has hands-on experience in global supply chain, regulatory, API R&D, quality and Commercial operations.</p>
Terms and conditions of appointment or Reappointment	Liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	<p>Sitting Fees for attending each meeting of Board and Committee.</p> <p>Commission: As approved by shareholders, Non-Executive Directors, including Independent Directors are eligible to receive upto 2% of the Commission of the net profits of the Company for that financial year computed in the manner provided in Section 198 of the Act.</p>
Shareholding in SeQuent Scientific Limited as at the date of notice	Nil
Relationship with other directors, Managers and Key Managerial Personnel of the Company	None
Number of Board & Committee Meetings attended during the FY 2022-23	Nil
Membership/Chairmanship of the Committees of SeQuent Scientific Limited	He is not a Member/Chairman of any Committees
List of Directorships held in Other Companies	<ol style="list-style-type: none"> 1. Viyash Life Sciences Private Limited – Whole Time Director & CEO. 2. Symed Labs Limited – Director & CEO. 3. Vindhya Pharma (India) Private Limited – Director. 4. Appcure Labs Private Limited - Director
Listed entities from which the appointee has resigned in the past 3 years:	Nil

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 Friday, August 25, 2023 at 09:00 a.m. (IST) and ends on Tuesday, August 29, 2023 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, Wednesday, August 23, 2023.
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 inward.is@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
7. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
8. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.



Details on Step 1 are mentioned below:

Method of login / access to Depositories (NSDL / CDSL) e-voting system in case of individual members holding shares in demat mode

Type of member	Login Method
Individual members holding securities in demat mode with NSDL	<p>A. Instructions for existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <ol style="list-style-type: none"> Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. After successful authentication, members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. Click on company name, i.e. 'Sequent Scientific Limited', or e-voting service provider, i.e. KFintech. Members will be re-directed to KFintech's website for casting their vote during the remote e-voting period and voting during the Meeting. <p>B. Instructions for those Members who are not registered under IDeAS:</p> <ol style="list-style-type: none"> Visit https://eservices.nsdl.com for registering. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page. Click on company name, i.e. Sequent Scientific Limited, or e-voting service provider name, i.e. KFintech, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the Meeting. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of member	Login Method
Individual members holding securities in demat mode with CDSL	<p>A. Instructions for existing users who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com Click on New System MyEasi. Login to MyEasi option under quick login. Login with the registered user ID and password. Members will be able to view the e-voting Menu. The Menu will have links of KFintech e-voting portal and will be redirected to the e-voting page of KFintech to cast their vote without any further authentication. <p>B. Instructions for users who have not registered for Easi / Easiest</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. After successful registration, please follow the steps given in point no.1 above to cast your vote. <p>C. Alternatively, instructions for directly accessing the e-voting website of CDSL</p> <ol style="list-style-type: none"> Visit www.cdslindia.com Provide demat Account Number and PAN System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz., 'Sequent Scientific Limited' or select KFintech. Members will be re-directed to the e-voting page of KFintech to cast their vote without any further authentication.
Individual members login through their demat accounts / Website of Depository Participant	<p>A. Instructions for login through Demat Account / website of Depository Participant</p> <ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. Once logged-in, members will be able to view e-voting option. Upon clicking on e-voting option, members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. Click on options available against Sequent Scientific Limited or KFintech. Members will be redirected to e-voting website of KFintech for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43



II) Method of login / access to KFinTech e-voting system in case of members holding shares in physical and non-individual members in demat mode

Type of member	Login Method
Members whose email IDs are registered with the Company / Depository Participants(s)	<p>A. Instructions for Members whose email IDs are registered with the Company / Depository Participants(s),</p> <p>Members whose email IDs are registered with the Company / Depository Participant(s) will receive an email from KFinTech which will include details of E-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:</p> <ol style="list-style-type: none"> Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with KFinTech for e-voting, they can use their existing User ID and password for casting the vote. After entering these details appropriately, click on "LOGIN". Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential. Members would need to login again with the new credentials. On successful login, the system will prompt the member to select the "EVEN" i.e., 'Sequent Scientific Limited - AGM' and click on "Submit". On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A member may also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account. Voting has to be done for each item of the Notice separately. In case a member does not desire to cast their vote on any specific item, it will be treated as abstained. A member may then cast their vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

Type of member	Login Method
Members whose email IDs are not registered with the Company / Depository Participants(s)	<p>B. Instructions for Members whose email IDs are not registered with the Company / Depository Participants(s), and consequently the Notice of Meeting and e-voting instructions cannot be serviced</p> <ol style="list-style-type: none"> Members, who have not registered their email address, thereby not being in receipt of the Notice of Meeting and e-voting instructions, may temporarily get their email address and mobile number submitted with KFinTech, by accessing the link: https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, members may write to einward.ris@kfintech.com. Alternatively, members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice and the e-voting instructions. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

Method / Access to join the Meeting on KFinTech system and to participate and vote thereat -

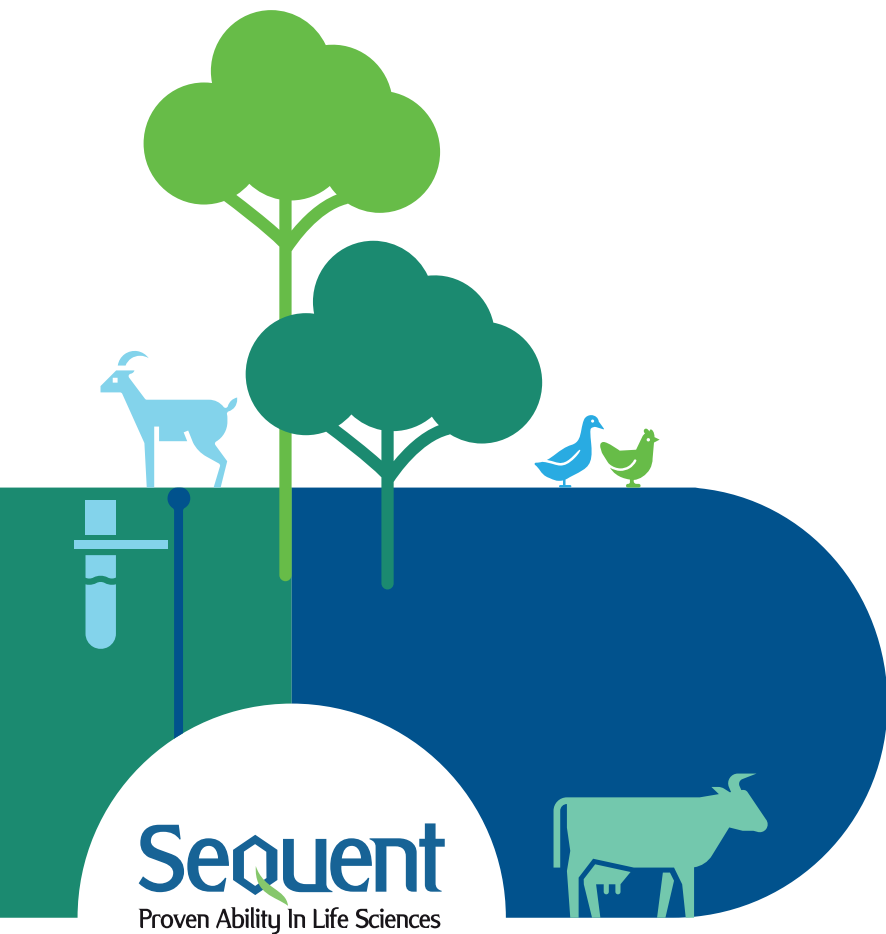
Type of member	Login Method
All shareholders, including Individual, other than Individual and Physical, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting	<p>A. Instructions for all the shareholders, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting:</p> <ol style="list-style-type: none"> Members will be able to attend the Meeting through VC / OAVM platform provided by KFinTech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFinTech. 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 members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above. The procedure for e-voting during the Meeting is same as the procedure for remote e-voting since the Meeting is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the Meeting. E-voting during the Meeting is integrated with the VC / OAVM platform and no separate login is required for the same.

OTHER INSTRUCTIONS

- 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 be opened from August 26, 2023 at 09:00 a.m. (IST) to August 28, 2023 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. S. Prasad (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 inward.ris@kfintech.com or evoting@kfintech.com 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 Wednesday, August 23, 2023 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 Wednesday, August 23, 2023, 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:
- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- vii. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
- viii. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form. Therefore, shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard. Further, the SEBI vide its Circular no. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue shares in dematerialized format only while processing service request such as issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition



Sequent
Proven Ability In Life Sciences

SeQuent Scientific Limited

CIN: L99999MH1985PLC036685

Registered Office

301, 3rd Floor, Dosti Pinnacle, Plot No.E7, Road No. 22, Wagle Industrial Area, Thane (W), Mumbai – 400 604, Maharashtra, India.

Tel No: +91 22 4111 4777

Website: www.sequent.in | E-mail id: investorrelations@sequent.in