

# Sequent

Proven Ability In Life Sciences

## SEQUENT SCIENTIFIC LIMITED

### AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

(₹ in Million)

Sr. no.	Particulars	STANDALONE		CONSOLIDATED	
		Year Ended	Year Ended	Year Ended	Year Ended
		31-Mar-11 Audited	31-Mar-10 Audited	31-Mar-11 Audited	31-Mar-10 Audited
1	Net Sales / Income from Operations	2,577.56	2,463.35	2,916.65	2,844.48
	Other Operating Income	200.00	-	200.00	-
	<b>Total Revenue</b>	<b>2,777.56</b>	<b>2,463.35</b>	<b>3,116.65</b>	<b>2,844.48</b>
2	Expenditure				
	a) (Increase)/Decrease in stock in trade and work in progress	(129.14)	(77.22)	(117.05)	(98.21)
	b) Consumption of Raw Materials	1,247.53	1,083.00	1,453.01	1,343.09
	c) Purchase of Traded Goods	284.20	31.60	284.20	31.60
	d) Conversion charges	116.14	99.62	134.97	126.50
	e) Employee Cost	227.03	202.05	307.80	298.55
	f) Depreciation	171.81	125.22	206.90	237.25
	g) Other Expenditure	551.96	523.45	614.37	594.27
	<b>Total</b>	<b>2,469.53</b>	<b>1,987.72</b>	<b>2,884.20</b>	<b>2,533.05</b>
3	<b>Profit/(Loss) from Operations before other income, interest and exceptional items</b>	<b>308.03</b>	<b>475.63</b>	<b>232.45</b>	<b>311.43</b>
4	Other Income	116.34	72.87	72.87	300.17
5	<b>Profit/(Loss) before interest &amp; exceptional items</b>	<b>424.37</b>	<b>548.50</b>	<b>305.32</b>	<b>611.60</b>
6	Financial cost	212.75	187.31	238.02	216.65
7	<b>Profit/(Loss) after interest but before exceptional items</b>	<b>211.62</b>	<b>361.19</b>	<b>67.30</b>	<b>394.95</b>
8	Exceptional items	(10.53)	57.50	42.05	
9	<b>Profit/(Loss) from ordinary activity before tax</b>	<b>222.15</b>	<b>303.69</b>	<b>25.25</b>	<b>394.95</b>
10	Tax Expense	62.83	95.76	65.49	85.26
11	<b>Net Profit/(Loss) from Ordinary activities after tax</b>	<b>159.32</b>	<b>207.93</b>	<b>(40.24)</b>	<b>309.69</b>
12	Extraordinary items				
13	<b>Net Profit for the Year</b>	<b>159.32</b>	<b>207.93</b>	<b>(40.24)</b>	<b>309.69</b>
	Share of Minority Interest			(38.48)	(64.48)
14	<b>Profit after Minority Interest</b>	<b>159.32</b>	<b>207.93</b>	<b>(1.76)</b>	<b>374.17</b>
15	Paid-up equity share capital (Face Value per share ₹ 10 each)	219.35	212.35	219.35	212.35
16	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	1,115.19		1,126.11	
17	Earnings Per Share before Extraordinary Items for the period (Non-Annualised)				
	Basic (₹)	7.26	9.79	(0.08)	17.62
	Diluted (₹)	7.26	9.79	(0.08)	17.62
	Earnings Per Share after Extraordinary Items for the period (Non-Annualised)				
	Basic (₹)	7.26	9.79	(0.08)	17.62
	Diluted (₹)	7.26	9.79	(0.08)	17.62
18	Public Share Holding				
	No. of Shares	60,28,969	61,85,553		
	% of Share Holding	27.49%	29.13%		
19	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	1. No of shares	23,00,000	Nil		
	2. Percentage of shares(as a % of the total shareholding of promoter & promoter group)	14.46%	NA		
	3. Percentage of shares (as a % of the total share capital of the company)	10.49%	NA		
	b) Non-encumbered				
	1. No of shares	1,36,06,222	1,50,49,638		
	2. Percentage of shares(as a % of the total shareholding of promoter & promoter group)	85.54%	100%		
	3. Percentage of shares (as a % of the total share capital of the company)	62.02%	70.87%		

## Notes

- The audited financial results were taken on record by the Board of Directors at its meeting held on May 27, 2011.
- The Scheme of amalgamation of Vedic Elements Private Limited ("Transferor Company") with the Company ("Transferee Company") with an appointed date of October 1, 2009. ("The Scheme"), has been sanctioned by the High Court of Karnataka and came into effect on 07 September 2010. In terms of the Scheme:
  - the assets and liabilities of the Transferor Company have been recorded in the books based on fair values determined by the Board of Directors of the Transferee Company.
  - The reserves and balances in profit and loss account of the Transferor Company has been recorded in the same form and at same values as they appear in the financial statements of the Transferor Company as on the appointed date.
  - The carrying value of investments in the shares of the Transferor Company held by the Transferee Company and inter-corporate balances stand cancelled.
  - Upon the scheme becoming effective, the assets and liabilities of the Transferee Company have been revalued based on valuation report or fair value determined by the Board of Directors of the Company and the net surplus of ₹ 341.08 Million arising out of such valuations (over the carrying value of the respective assets and liabilities prior to the valuation) have been credited to the Restructuring Reserve account.
  - The deficit arising on amalgamation of ₹ 337.02 Million representing the value of assets over the value of liabilities of the Transferor Company, after cancellation of capital of the transferor Company and the reserves recorded as per point 'b', has been set-off against Restructuring reserve account as created in point 'd' above post merger.
  - Had the Scheme not provided for fair valuing the assets and liabilities of the Transferee Company, the effect of accounting as per the Accounting standards issued under the Companies (Accounting Standards) Rules, 2006 for the current year ended March 31, 2011, would have been as under:
    - Depreciation expenses for the year ended would have been lower by ₹ 8.16 Mio, provision for 'Other than temporary impairment in investments' would have been higher by ₹ 34.78 Million. Decrease in

income from exceptional item for the year ended lower by ₹ 37.70 Million. The resultant impact on profit after tax for the year ended March 31, 2011 being lower by ₹ 84.12 Million.

- Earning Per Share (EPS) (Face Value of ₹ 10 each) Year Ended 31-Mar-11
 

Basic (₹)	3.43
Diluted (₹)	3.43
- The auditors have drawn reference in their audit report on non compliance of the Accounting standard with respect to the above accounting treatment.
- The Company had given a corporate guarantee to Rabo bank, Netherland towards a loan secured by its subsidiary (Galenica B.V.) amounting to ₹42.05 Million (Euro 0.6 Million). Since the subsidiary has filed for liquidation, the corporate guarantee was encashed during the year by the Bank and the same is charged under exceptional items.
- Details of investor complaints for the quarter ended 31st March 2011.
 

Unresolved at the beginning of the quarter :	NIL
Received during the quarter :	NIL
Disposed off during the quarter :	NIL
Unresolved at the end of quarter :	NIL
- During the period the Company has decided to merge its holding company, Fraxis Life Sciences Private Limited. The Company is in the process of obtaining necessary approvals.
- Managerial Remuneration paid to the Directors during the year ended March 31, 2011 amounting to ₹ 24.88 Million in excess of the limit under Schedule XIII of The Companies Act, 1956 is subject to the approval of the central government, for which application is being made. The excess amount is shown as due from Directors.
- The Board recommended a dividend of ₹1.50 (15%) per Equity Share of ₹10/- for the year.
- Segment Results

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

## Segment wise Revenue, Results and Capital Employed:

(₹ in Millions)

Sr. no.	Particulars	Year Ended	Year Ended
		31-Mar-11 Audited	31-Mar-10 Audited
1	<b>Segment Revenue</b>		
	a) Pharmaceuticals	2,378.22	1,915.54
	b) Speciality Chemicals	525.48	596.14
	<b>Total</b>	<b>2,903.70</b>	<b>2,511.68</b>
	Less: Inter segment Revenue	126.14	48.33
	Add: other unallocated Income		
	<b>Net Sales /Income from Operations</b>	<b>2,777.56</b>	<b>2,463.35</b>
2	<b>Segment Results</b>		
	<b>Profit or Loss before Tax and Interest from Each Segment</b>		
	a) Pharmaceuticals	336.11	378.19
	b) Speciality Chemicals	121.29	197.02
	<b>Total</b>	<b>457.40</b>	<b>575.21</b>
	Less (i) Finance Cost	212.75	187.31
	(ii) other unallocable expenditure net off unallocable income	22.50	84.21
	<b>Total Profit Before Tax</b>	<b>222.15</b>	<b>303.69</b>
3	<b>Capital Employed</b>		
	a) Pharmaceuticals	4,143.73	3,036.38
	b) Speciality Chemicals	338.84	329.07
	c) Unallocated	(1,266.51)	(752.20)
	<b>Total</b>	<b>3,216.06</b>	<b>2,613.25</b>

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

For and on behalf of the Board  
K. R. RAVISHANKAR  
Chairman & Managing Director

Place : Bengaluru  
Date : May 27, 2011

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