

Sequent

Proven Ability In Life Sciences

SEQUENT SCIENTIFIC LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2010

(₹ in Million)

Particulars	STANDALONE				
	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	30-Sep-10 Unaudited	30-Sep-09 Unaudited	30-Sep-10 Unaudited	30-Sep-09 Unaudited	31-Mar-10 Audited
Net Sales / Income from Operations	708.04	771.00	1,335.52	1,275.25	2,463.35
Total Revenue	708.04	771.00	1,335.52	1,275.25	2,463.35
Expenditure					
a) (Increase)/Decrease in stock in trade and work in progress	(81.11)	(11.97)	(117.01)	(43.22)	(75.76)
b) Consumption of Raw Materials	302.09	268.99	562.82	467.01	1,081.53
c) Purchase of Traded Goods	159.88	8.05	257.08	20.21	31.60
d) Conversion charges	25.92	30.50	50.44	46.90	99.62
e) Employee Cost	62.49	62.23	121.19	107.16	202.05
f) Depreciation	49.42	28.38	80.64	60.71	125.22
g) Other Expenditure	118.11	164.12	245.75	284.76	523.45
Total	636.80	550.30	1,200.91	943.53	1,987.71
Profit/(Loss) from Operations before other income, interest and exceptional items.	71.24	220.70	134.61	331.73	475.64
Other Income	27.32	6.11	39.05	11.62	72.87
Profit/(Loss) before interest & exceptional items	98.56	226.81	173.66	343.35	548.51
Financial cost	47.40	55.58	88.36	100.24	187.32
Profit/(Loss) after interest but before exceptional items	51.16	171.23	85.30	243.11	361.19
Exceptional items	(52.48)	28.57	(52.48)	28.57	57.50
Profit/(Loss) from ordinary activity before tax	103.64	142.66	137.78	214.54	303.69
Tax Expense	18.10	46.77	25.90	60.83	95.76
Net Profit/(Loss) from Ordinary activities after tax	85.54	95.89	111.88	153.71	207.93
Extraordinary items	-	-	-	-	-
Net Profit	85.54	95.89	111.88	153.71	207.93
Paid-up equity share capital (Face Value per share ₹ 10/- each)	219.35	212.35	219.35	212.35	212.35
Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year					946.29
Earnings Per Share before Extraordinary Items for the period (Non-Annualised)					
Basic (₹)	3.90	4.52	5.10	7.24	9.79
Diluted (₹)	3.90	4.52	5.10	7.24	9.79
Earnings Per Share after Extraordinary Items for the period (Non-Annualised)					
Basic (₹)	3.90	4.52	5.10	7.24	9.79
Diluted (₹)	3.90	4.52	5.10	7.24	9.79
Public Share Holding					
No. of Shares	6,687,557	6,372,596	6,687,557	6,372,596	6,185,553
% of Share Holding	30.49%	30.01%	30.49%	30.01%	29.13%
Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
1. No of shares	1,300,000	Nil	1,300,000	Nil	Nil
2. Percentage of shares (as a % of the total shareholding of promoter & promoter group)	8.53%	NA	8.53%	NA	NA
3. Percentage of shares (as a % of the total share capital of the company)	5.93%	NA	5.93%	NA	NA
b) Non-encumbered					
1. No of shares	13,947,634	14,862,595	13,947,634	14,862,595	15,049,638
2. Percentage of shares (as a % of the total shareholding of promoter & promoter group)	91.47%	100%	91.47%	100%	100%
3. Percentage of shares (as a % of the total share capital of the company)	63.58%	69.99%	63.58%	69.99%	70.87%

Statement of Asset and Liabilities as at

(₹ in Million)

Particulars	30-Sep-10	30-Sep-09	31-Mar-10
	Unaudited	Unaudited	Audited
	A	B	C
SOURCES OF FUNDS			
Shareholders Fund			
(a) Capital	219.35	212.35	212.35
(b) Reserve & Surplus	1,105.04	898.71	946.29
Loan Funds			
(a) Secured	1,531.81	1,393.12	1,306.12
(b) Unsecured	69.16	16.04	61.03
Deferred Tax Liabilities	94.02	67.90	87.46
Total	3,019.38	2,588.12	2,613.25
APPLICATION OF FUNDS			
Fixed Assets	2,045.36	1,279.05	1,389.78
Investments	148.86	432.15	453.86
Current Assets			
Inventories	524.95	458.30	466.67
Sundry Debtors	727.81	557.02	454.74
Cash and Bank Balances	39.86	124.00	124.65
Loan and Advances	707.69	495.69	517.38
Current Liabilities and Provisions			
Current Liabilities	935.52	621.62	578.04
Provisions	239.64	136.47	215.79
Net Current Assets	825.16	876.92	769.61
Total	3,019.38	2,588.12	2,613.25

Notes:-

- The unaudited financial results were taken on record by the Board of Directors at its meeting held on October 29, 2010.
- The statutory auditors have performed a limited review of the standalone financial results for the period ended as on September 30, 2010 of the Company as required by the Clause 41 of the Listing Agreement. The figures disclosed in column B above have not been reviewed by them.
- The Company is in the process of filing an application to the Central Government for seeking approval for payment of Managerial Remuneration exceeding the limits specified in the Schedule XIII of the Companies Act, 1956.
- 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 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 appointment 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 value determined by the Board of Directors of the Company and the net surplus of ₹ 340.05 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 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 quarter and half year ended September 2010, would have been as under:
 - Depreciation expenses for the quarter and half-year ended would have been lower by ₹ 2.04 Million and ₹ 4.08 Million respectively, provision for 'other than temporary impairment in investments' would have been higher by ₹ 34.78 Million, decrease in income from exceptional item lower by ₹ 57.50 Million. The resulting impact on profit after tax for the quarter and half year ended September 30, 2010 being lower by ₹ 90.24 Million and ₹ 88.20 Million respectively.
 - Earnings Per Share (EPS) (Face Value of ₹ 10/- each) (₹)

	Quarter Ended 30-Sep-10	Half Year Ended 30-Sep-10
Basic	(0.21)	(1.08)
Diluted	(0.21)	(1.08)
- In the Balance Sheet, the Fixed Assets and Reserve & Surplus would have been lower by ₹ 424.13 Million.
- Details of investor complaints for the quarter ended 30th September 2010:

	Nil
Unresolved at the beginning of the quarter :	Nil
Received during the quarter :	Nil
Disposed of during the quarter :	Nil
Unresolved at the end of quarter :	Nil
- During the period, the following Companies became subsidiary/step down subsidiary of the Company: Vedic Fanxipang Pharma Chemic Company Limited, pursuant to the Scheme. Further, (a) Elysian Life Sciences Private Limited (b) Sequent Oncolytics Private Limited (c) Sequent Antibiotics Private Limited (d) Elysian Healthcare Private Limited and (e) Sequent Penems Private Limited, subsequent to acquisition of balance stake.
- 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.
- 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 services, the differing risks & returns, the organisational structure & the internal reporting system.

Segment wise Revenue, Results and Capital Employed

(₹ in Million)

Particulars	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
	30-Sep-10 (Unaudited)	30-Sep-09 (Unaudited)	30-Sep-10 (Unaudited)	30-Sep-09 (Unaudited)	31-Mar-10 (Audited)
	Segment Revenue				
a) Pharmaceuticals	606.86	626.77	1,138.91	1,005.48	1,915.54
b) Speciality Chemicals	121.06	150.70	226.17	276.24	596.14
Total	727.92	777.47	1,365.08	1,281.72	2,511.68
Less Intersegment Revenue	19.88	6.47	29.56	6.47	48.33
Add other unallocated Income	-	-	-	-	-
Net Sales /Income from Operations	708.04	771.00	1,335.52	1,275.25	2,463.35
Segment Results					
Profit or Loss before Tax and Interest from Each Segment					
a) Pharmaceuticals	81.36	226.03	146.33	344.51	378.19
b) Speciality Chemicals	31.01	44.24	59.68	95.18	197.02
Total	112.37	270.27	206.01	439.69	575.21
Less (i) Finance Cost	47.40	55.58	88.36	100.24	187.31
(ii) other unallocable expenditure net off unallocable income	(38.67)	72.03	(20.13)	124.91	84.21
Total Profit Before Tax	103.64	142.66	137.78	214.54	303.69
Capital Employed					
a) Pharmaceuticals	3,842.78	1,832.71	3,842.78	1,832.71	2,974.29
b) Speciality Chemicals	406.11	303.88	406.11	303.88	329.07
c) Unallocated	(1,229.51)	451.53	(1,229.51)	687.82	(690.11)
Total	3,019.38	2,588.12	3,019.38	2,824.41	2,613.25

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

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

Place : Bengaluru
Date : October 29, 2010

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