

**SEQUENT SCIENTIFIC LIMITED**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014**

(₹ in Lakhs)

S.No.	Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended			Year Ended		Year Ended	
		31-Mar-14 AUDITED (Refer Note 3 below)	31-Dec-13 UNAUDITED	31-Mar-13 AUDITED (Refer Note 3 below)	31-Mar-14 AUDITED	31-Mar-13 AUDITED	31-Mar-14 AUDITED	31-Mar-13 AUDITED
<b>Part-I</b>								
1	<b>Income from operations</b>							
a	Net Sales / Income from Operations (net of excise duty)	10,350.90	11,281.60	9,596.70	44,230.10	31,327.90	45,268.24	32,608.64
b	Other Operating Income	15.40	81.90	55.10	278.30	77.60	278.30	77.60
	<b>Total income from operations (net)</b>	<b>10,366.30</b>	<b>11,363.50</b>	<b>9,651.80</b>	<b>44,508.40</b>	<b>31,405.50</b>	<b>45,546.54</b>	<b>32,686.24</b>
2	<b>Expenses</b>							
a	Cost of materials consumed	6,475.20	6,358.60	5,950.30	24,259.00	17,905.90	23,972.20	18,460.10
b	Purchase of stock-in-trade	505.40	371.80	259.50	1,624.20	994.20	1,624.20	1,057.10
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,126.50)	(247.70)	(133.90)	(1,321.50)	(1,291.40)	(1,223.90)	(1,487.30)
d	Employee benefits expenses	1,255.70	961.50	1,424.70	4,287.30	3,548.50	4,811.90	4,146.90
e	Depreciation and amortisation expenses	805.40	651.20	762.10	2,712.60	2,674.30	3,259.70	2,860.71
f	Other expenses	3,776.20	3,985.80	3,238.70	14,931.90	10,899.10	14,683.14	11,835.70
	<b>Total expenses</b>	<b>11,691.40</b>	<b>12,081.20</b>	<b>11,501.40</b>	<b>46,493.50</b>	<b>34,730.60</b>	<b>47,127.24</b>	<b>36,873.21</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(1,325.10)</b>	<b>(717.70)</b>	<b>(1,849.60)</b>	<b>(1,985.10)</b>	<b>(3,325.10)</b>	<b>(1,580.70)</b>	<b>(4,186.97)</b>
4	Other Income	420.70	186.40	25.60	525.20	249.00	384.20	256.50
5	<b>Profit/(Loss) from ordinary activities before finance cost and exceptional items (3±4)</b>	<b>(904.40)</b>	<b>(531.30)</b>	<b>(1,824.00)</b>	<b>(1,459.90)</b>	<b>(3,076.10)</b>	<b>(1,196.50)</b>	<b>(3,930.47)</b>
6	Finance cost	1,127.90	991.10	994.00	3,873.90	3,204.50	3,903.80	3,344.60
7	<b>Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5±6)</b>	<b>(2,032.30)</b>	<b>(1,522.40)</b>	<b>(2,818.00)</b>	<b>(5,333.80)</b>	<b>(6,280.60)</b>	<b>(5,100.30)</b>	<b>(7,275.07)</b>
8	Exceptional items	4,832.50	1,127.50	-	6,107.80	-	5,891.20	-
9	<b>Profit/(Loss) from ordinary activities before tax (7±8)</b>	<b>(6,864.80)</b>	<b>(2,649.90)</b>	<b>(2,818.00)</b>	<b>(11,441.60)</b>	<b>(6,280.60)</b>	<b>(10,991.50)</b>	<b>(7,275.07)</b>
10	Tax Expense	-	-	(432.30)	-	(831.00)	57.90	(805.76)
11	<b>Net Profit/(Loss) from Ordinary activities after tax (9±10)</b>	<b>(6,864.80)</b>	<b>(2,649.90)</b>	<b>(2,385.70)</b>	<b>(11,441.60)</b>	<b>(5,449.60)</b>	<b>(11,049.40)</b>	<b>(6,469.31)</b>
12	Extraordinary items	-	-	-	-	-	-	-
13	<b>Net Profit/(Loss) for the period(11±12)</b>	<b>(6,864.80)</b>	<b>(2,649.90)</b>	<b>(2,385.70)</b>	<b>(11,441.60)</b>	<b>(5,449.60)</b>	<b>(11,049.40)</b>	<b>(6,469.31)</b>
14	Share of profit/(Loss) of associates	-	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	-	0.21
16	<b>Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13±14±15)</b>	<b>(6,864.80)</b>	<b>(2,649.90)</b>	<b>(2,385.70)</b>	<b>(11,441.60)</b>	<b>(5,449.60)</b>	<b>(11,049.40)</b>	<b>(6,469.52)</b>
17	Paid-up equity share capital (Face Value per share Rs.10 each)	2,733.52	2,678.52	2,403.52	2,733.52	2,403.52	2,733.52	2,403.52
18	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	1,286.00	7,413.00	133.50	5,968.30
19.i	<b>Earnings Per Share before Extraordinary Items for the period (Non-Annualised)</b>							
	Basic (Rs.)	(25.31)	(9.89)	(10.05)	(44.28)	(24.01)	(42.76)	(28.50)
	Diluted (Rs.)	(25.31)	(9.89)	(10.05)	(44.28)	(24.01)	(42.76)	(28.50)
19.ii	<b>Earnings Per Share after Extraordinary Items for the period (Non-Annualised)</b>							
	Basic (Rs.)	(25.31)	(9.89)	(10.05)	(44.28)	(24.01)	(42.76)	(28.50)
	Diluted (Rs.)	(25.31)	(9.89)	(10.05)	(44.28)	(24.01)	(42.76)	(28.50)
<b>Part-II</b>								
A	<b>PARTICULARS OF SHAREHOLDING</b>							
1	<b>Public Shareholding</b>							
	No. of Shares	9,472,358	9,472,358	9,500,680	9,472,358	9,500,680		
	% of Share Holding	34.65%	35.36%	39.53%	34.65%	39.53%		
2	<b>Promoters and Promoter Group Shareholding</b>							
a)	<b>Pledged / Encumbered</b>							
	1. No of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		
	2. Percentage of shares (as a % of the total shareholding of promoter & promoter group)	5.60%	5.78%	6.88%	5.60%	6.88%		
	3. Percentage of shares (as a % of the total share capital of the company)	3.66%	3.73%	4.16%	3.66%	4.16%		
b)	<b>Non-encumbered</b>							
	1. No of shares	16,862,833	16,312,833	13,534,511	16,862,833	13,534,511		
	2. Percentage of shares(as a % of the total shareholding of promoter & promoter group)	94.40%	94.22%	93.12%	94.40%	93.12%		
	3. Percentage of shares (as a % of the total share capital of the company)	61.69%	60.90%	56.31%	61.69%	56.31%		
B	<b>INVESTOR COMPLAINTS</b>							
	Pending at the beginning of the quarter	NIL						
	Received during the quarter	NIL						
	Disposed of during the quarter	NIL						
	Remaining unresolved at the end of the quarter	NIL						



STATEMENT OF ASSETS AND LIABILITIES		(₹ in Lakhs)			
		STANDALONE		CONSOLIDATED	
S.No.	Particulars	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2014	As at 31 Mar 2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	2,674.00	2,344.00	2,674.00	2,344.00
	(b) Reserves and surplus	1,286.00	7,413.00	133.50	5,968.30
	(c) Money received against share warrants	1,065.10	1,187.90	1,065.10	1,187.90
	<b>Sub-total-Shareholder's fund</b>	<b>5,025.10</b>	<b>10,944.90</b>	<b>3,872.60</b>	<b>9,500.20</b>
<b>2</b>	<b>Share application money pending allotment</b>	-	-	1,800.00	-
<b>3</b>	<b>Minority Interest</b>	-	-	458.00	458.00
<b>2</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	9,103.40	10,824.10	15,108.40	13,803.70
	(b) Deferred tax liabilities (Net)	-	-	12.20	17.81
	(c) Other Long term liabilities	-	5.00	-	5.00
	(d) Long-term provisions	740.40	568.30	802.50	608.90
	<b>Sub-total-Non-current liabilities</b>	<b>9,843.80</b>	<b>11,397.40</b>	<b>15,923.10</b>	<b>14,435.41</b>
<b>3</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	24,108.00	13,946.50	22,660.00	15,175.90
	(b) Trade payables	13,538.00	14,591.60	11,458.70	15,090.50
	(c) Other current liabilities	3,138.40	2,774.70	5,680.30	3,562.50
	(d) Short-term provisions	347.80	360.00	418.70	401.60
	<b>Sub-total-Current liabilities</b>	<b>41,132.20</b>	<b>31,672.80</b>	<b>40,217.70</b>	<b>34,230.50</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>56,001.10</b>	<b>54,015.10</b>	<b>62,271.40</b>	<b>58,624.11</b>
<b>II.</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Fixed assets	23,104.70	22,660.90	27,117.90	30,651.60
	(b) Goodwill on consolidation	-	-	945.30	945.30
	(c) Non-current investments	6,504.40	5,457.00	3.60	164.30
	(d) Deferred tax assets (net)	6.90	6.90	-	-
	(e) Long-term loans and advances	2,561.50	3,414.20	7,750.60	4,025.50
	(f) Other non-current assets	95.00	572.50	170.00	43.70
	<b>Sub-total-Non-current assets</b>	<b>32,272.50</b>	<b>32,111.50</b>	<b>35,987.40</b>	<b>35,830.40</b>
<b>2</b>	<b>Current assets</b>				
	(a) Current investments	7.70	17.70	7.70	17.70
	(b) Inventories	10,125.10	8,267.40	10,139.60	8,562.11
	(c) Trade receivables	7,965.90	7,016.10	8,354.30	6,580.50
	(d) Cash and cash equivalents	1,913.40	3,107.50	3,621.30	3,299.20
	(e) Short-term loans and advances	3,525.00	2,672.00	3,810.90	3,527.60
	(f) Other current assets	191.50	822.90	350.20	806.60
	<b>Sub-total-Current assets</b>	<b>23,728.60</b>	<b>21,903.60</b>	<b>26,284.00</b>	<b>22,793.71</b>
	<b>TOTAL - ASSETS</b>	<b>56,001.10</b>	<b>54,015.10</b>	<b>62,271.40</b>	<b>58,624.11</b>

**Notes:**

1. The audited financial results were taken on record by the Board of Directors at its meeting held on May 28, 2014.

**2. Segment Results**

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

SI. No	Particulars	Quarter Ended			Year Ended	
		31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13
		AUDITED (Refer Note 3 below)	UNAUDITED	AUDITED (Refer Note 3 below)	AUDITED	AUDITED
<b>1</b>	<b>Segment Revenue</b>					
	a) Pharmaceuticals	9,170.07	9,951.61	8,207.92	38,486.12	26,242.69
	b) Specialty Chemicals	1,196.23	1,411.89	1,443.88	6,022.28	5,162.81
	<b>Net Sales /Income from Operations</b>	<b>10,366.30</b>	<b>11,363.50</b>	<b>9,651.80</b>	<b>44,508.40</b>	<b>31,405.50</b>
<b>2</b>	<b>Segment Results</b>					
	<b>Profit or Loss before Tax and Interest from Each Segment</b>					
	a) Pharmaceuticals	(444.10)	(91.12)	(1,377.21)	(263.67)	(2,698.85)
	b) Specialty Chemicals	48.86	(31.45)	303.13	532.97	785.27
	<b>Total</b>	<b>(395.24)</b>	<b>(122.57)</b>	<b>(1,074.08)</b>	<b>269.30</b>	<b>(1,913.58)</b>
	Less (i) Finance Cost	1,127.90	991.10	994.00	3,873.90	3,204.50
	(ii) other unallocable expenditure net off unallocable income	5,341.66	1,536.23	749.92	7,837.00	1,162.52
	<b>Total Profit / (Loss) Before Tax</b>	<b>(6,864.80)</b>	<b>(2,649.90)</b>	<b>(2,818.00)</b>	<b>(11,441.60)</b>	<b>(6,280.60)</b>
<b>3</b>	<b>Capital Employed</b>					
	a) Pharmaceuticals	28,888.14	28,867.95	22,817.11	28,888.14	22,817.11
	b) Specialty Chemicals	2,942.10	2,391.68	1,576.80	2,942.10	1,576.80
	c) Unallocated	(26,805.14)	(21,235.13)	(13,449.01)	(26,805.14)	(13,449.01)
	<b>Total</b>	<b>5,025.10</b>	<b>10,024.50</b>	<b>10,944.90</b>	<b>5,025.10</b>	<b>10,944.90</b>



3. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current / previous financial year.

4. During the quarter the Company has issued 37 Lakhs warrants to its promoter group and out of this 5.5 Lakhs shares were issued on conversion of warrants.

5. Discontinuing operations:

5a. During quarter, the Board of Directors of the Company have approved the transfer of Specialty Chemicals Division of the Company along with all related assets and liabilities by way of slump sale. The Specialty Chemicals Division is reported as part of the Specialty Chemicals segment of the Company. Subsequent to the year end requisite approval from the shareholders as per the provisions of Section 180(1)(a) of the Companies Act, 2013 has been obtained through postal ballot.

5b. During the previous quarter, the Board of Directors of the Company and the Shareholders have approved the transfer of Veterinary Formulations Division of the Company along with all related assets and liabilities by way of slump sale to Alivira Animal Health Limited, a wholly owned subsidiary of the Company. The Veterinary Formulations business is reported as part of the Pharmaceuticals segment of the Company.

5c. The profit/(loss) of the discontinuing business included in the above is as follows:

Profit/(loss) of the discontinuing business included in the above	Quarter Ended			Year Ended	
	31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13
a. Veterinary Formulations Division	(190.40)	(11.90)	(33.10)	(28.40)	(183.70)
b. Specialty Chemicals Division	(98.70)	(167.80)	137.80	(21.80)	238.90
<b>TOTAL</b>	<b>(289.10)</b>	<b>(179.70)</b>	<b>104.70</b>	<b>(50.20)</b>	<b>55.20</b>

6. Exceptional Items consists of:

6a. Sequent had developed certain non-infringing technologies/IPs in the complex area of Penems. However, the implementation of project got delayed due to delays in environmental approval from Government of India. Further, post the change of control of our key customer for the business, the Company is uncertain of their continued interest in the project. Given the significant additional investments involved to complete the project, the Company has decided to discontinue the project and write-down the related cost and investments of Rs. 4,820.30 Lakhs, which is included in exceptional items for the quarter and year ended 31 March 2014 of standalone results and Rs. 5,391.20 Lakhs in Consolidated Financial results.

6b. The Company had given corporate guarantees to Triodos Sustainable Trade Fund (the Fund) towards credit facilities availed by its stepdown subsidiaries (Vedic Fanxipang Pharma Chemic Company Ltd and Elysian Life Sciences Mauritius Ltd) amounting to USD 1.30 Millions and USD 2.20 Millions respectively. On account of default, the same have been encashed by said fund and the balances outstanding amount of USD 0.23 Millions (Rs. 147.80 Lakhs for the year) and USD 1.01 Millions (Rs. 639.70 Lakhs for the year) ( Rs. 12.20 Lakhs for the current quarter) have been paid by the Company and included under Exceptional items in the results.

6c. Advance paid for purchase of shares amounting to Rs. 500 lakhs has been written off in the previous quarter.

7. During the quarter, the Company has entered into a joint venture agreement with Shasun Pharmaceuticals Limited to develop, manufacture and sell veterinary products inclusive of both API (Active Pharmaceuticals Ingredients) and formulations in the global market.

8. Subsequent to the year end, the Company has entered into an definitive agreement to acquire the manufacturing assets and business of Arvee Synthesis Private Limited.

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

For Sequent Scientific Limited

Dr. Gautam Kumar Das  
Joint Managing Director

Place : Bengaluru

Date : May 28, 2014

