

P. CHANDRASEKAR LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SEQUENT PENEMS PRIVATE LIMITED

Opinion

We have audited the accompanying Standalone financial statements of **M/S. SEQUENT PENEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes 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



Bangalore * Chennai

SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern concept basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and
- (g) 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 does not have any pending litigations which would impact its financial position.
 - 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 required to be transferred to the Investor Education and Protection Fund by the Company.

UDIN: 21025349AAAAIM5110

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066



S.Rajagopalan
Partner
Membership No. 025349



Place: Bangalore
Date: 30th April 2021

SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

Annexure "A" to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- i.
 - a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years 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 immovable properties are in the name of the company
- ii. The Company does not hold any inventory and hence this clause is not applicable.
- iii. The Company has not granted any loan to companies (other than trading advance in the normal course of business) covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence this clause is not applicable
- iv. The company has not granted any of loans, investments, guarantees, and security during the year under provisions of section 185 and 186 of the Companies Act, 2013 hence this clause is not applicable.
- v. The company has not accepted any deposits during the year accordingly this clause is not applicable.
- vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2021 for a period of more than six months from the date they became payable.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- ix. The company has not raised moneys by way of initial public offer or further public offer during the year and the company has not availed any new terms loans during the year.



SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

- x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- xi. The company has not paid / provided managerial remuneration during the year hence this clause not applicable
- xii. The company is not a Nidhi company hence this clause is not applicable
- xiii. All 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 Financial Statements etc., as required by the applicable accounting standards
- xiv. The company has not issued any shares or Debentures during the year hence this clause is not applicable.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him hence this clause not applicable
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause not applicable

UDIN: 21025349AAAAIM5110

For M/s P. Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066

S.Rajagopalan

Partner

Membership No.025349



Place: Bangalore

Date: 30th April 2021

SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

Annexure - B to the Auditors' Report

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 over financial reporting of **SEQUENT PENEMS PRIVATE LIMITED** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

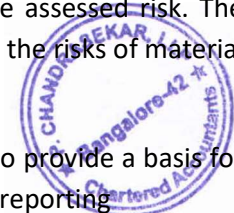
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting



SEQUENT PENEMS PRIVATE LIMITED

Auditor's report (continued)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN: 21025349AAAAIM5110

For M/s P.Chandrasekar LLP

Chartered Accountants

Firm Registration No. 000580S/S200066



S.Rajagopalan

Partner




Membership No.025349



Place: Bangalore

Date: 30th April 2021

Sequent Penems Private Limited
BALANCE SHEET AS AT 31 MARCH 2021

	Note No.	As at 31 March 2021	(Amount in Rs.) As at 31 March 2020
ASSETS			
1 Non-current assets			
(a) Investment Property	3	15,76,37,050	16,00,38,813
(b) Other Financial Assets	4	1,68,800	52,88,800
(c) Income tax assets (net)	5	8,91,866	13,69,795
(d) Other Non Current assets	6	-	37,34,802
(e) Deferred tax assets (net)	7	6,24,447	6,18,606
Non-current assets		15,93,22,163	17,10,50,816
2 Current assets			
(a) Financial Assets			
(i) Trade receivables	8	36,21,449	23,48,490
(i) Cash and cash equivalents	9	6,81,594	11,40,561
(ii) Loans & Advances	10	40,40,000	41,65,000
Current assets		83,43,043	76,54,051
TOTAL ASSETS		16,76,65,207	17,87,04,867
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	4,52,58,260	4,52,58,260
(b) Other Equity	12	(75,46,008)	(1,22,88,131)
		3,77,12,252	3,29,70,129
2 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	13	12,88,82,852	12,88,82,852
(ii) Trade payables	14	84,997	4,85,000
(b) Other current liabilities	15	9,85,106	1,63,66,887
		12,99,52,955	14,57,34,739
TOTAL EQUITY AND LIABILITIES		16,76,65,207	17,87,04,868
Significant Accounting Policies & Notes on financial statements	2		
In terms of our report attached			
For M/s P.CHANDRASEKAR LLP Chartered Accountants Firm Registration No. 000580S/S200066		FOR AND ON BEHALF OF THE BOARD OF	
			
MR. S RAJGOPALAN Partner Membership No. 25349		Ramesh Swaminathan Director	M. Sathish Kumar Director
Place: Chennai Date: April 30, 2021			

Sequent Penems Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

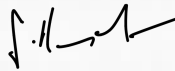
			(Amount in Rs.)	
		Note No	Year ended 31 March 2021	Year ended 31 March 2020
1	Other Income	16	98,19,935	69,72,701
	Total Income (1)		98,19,935	69,72,701
2	Expenses			
	Finance costs	17	2,596	14,906
	Depreciation and amortization expense	18	30,96,769	30,61,221
	Other expenses	19	7,46,173	15,09,474
	Total Expenses (2)		38,45,538	45,85,601
3	Profit before tax (1- 2)		59,74,397	23,87,100
4	Tax expense:			
	Current tax	20	10,77,855	-
	Previous year		1,54,419	-
	Total tax expense (4)		12,32,274	-
5	Profit / (Loss) for the period (3-4)		47,42,123	23,87,100
6	Other Comprehensive Income		-	-
7	Total Comprehensive Income for the period (5+6)		47,42,123	23,87,100
8	Earnings per equity share: (Face Value of Rs. 10/- each)			
	(1) Basic		1.05	0.53
	(2) Diluted		1.05	0.53

Significant Accounting Policies & Notes on financial statements

2

In terms of our report attached

For M/s P.CHANDRASEKAR LLP
Chartered Accountants
Firm Registration No. 000580S/S200066



MR. S RAJGOPALAN
Partner
Membership No. 25349

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Ramesh Swaminathan
Director



M Sathish Kumar
Director

Place: Chennai
Date: April 30, 2021

Sequent Penems Private Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021



(Amount in Rs.)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Net Profit before tax:	59,74,397	23,87,100
Adjustments for:		
Depreciation	30,96,769	30,61,221
Finance Cost	2,596	14,906
Unrealised foreign exchange loss	3,528	9,63,017
Operating profit before working capital changes	90,77,290	64,26,244
Changes in working capital		
Adjustment for (Increase)/Decrease in operating assets:		
Trade receivable	(12,72,959)	29,22,576
Short Term loans and advances	37,34,802	(3,15,666)
Other Current assets	57,17,088	(39,04,360)
Adjustment for Increase/(Decrease) in operating liabilities		
Trade payables	(4,00,003)	65,000
Other Current liabilities	(1,53,81,781)	(35,91,312)
Net change in working capital	(76,02,853)	(48,23,762)
Cash generated from operations	14,74,437	16,02,482
Taxes paid	(12,32,274)	-
Net cash from operating activities	2,42,163	16,02,482
Cash flow from investing activities		
Capital expenditure on fixed assets, including capital & Long term advances and proceeds from sale of fixed assets	(6,95,006)	(3,17,925)
Net cash generated from investing activities	(6,95,006)	(3,17,925)
Cash flow from financing activities		
Net Proceeds from Long term borrowings(Including term loans)	-	-
Finance Cost paid	(2,596)	(14,906)
Short term borrowings(net)	(3,528)	(9,63,018)
Net cash generated from financing activities	(6,124)	(9,77,924)
Net increase / (decrease) in cash and cash equivalents during the year	(4,58,967)	3,06,633
Cash and cash equivalent at the beginning of the year	11,40,561	8,33,928
Net cash flow as above	(4,58,967)	3,06,633
Cash and cash equivalent at the end of the year	6,81,594	11,40,561
Reconciliation of cash and cash equivalents with the Balance sheet		
Reconciliation of cash and cash equivalents as per Balance Sheet	6,81,594	11,40,561
Net Cash and cash equivalents at the end of the year	6,81,594	11,40,561

As per our report of even date
For M/s P.CHANDRASEKAR LLP
Chartered Accountants
Firm Registration No. 000580S/S200066


MR. S RAJGOPALAN
Partner
Membership No. 25349

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

 
Ramesh Swaminathan **M Sathish Kumar**
Director Director

Place: Chennai
Date: April 30, 2021

Sequent Penems Private Limited

STATEMENT OF CHANGES IN EQUITY

(Amount in Rs.)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	45,25,826	4,52,58,260	45,25,826	4,52,58,260
Changes in equity share capital during the year				
Balance at the end of the reporting period	45,25,826	4,52,58,260	45,25,826	4,52,58,260

(b) Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance at 31 March 2019	2,22,44,547	(3,97,90,500)	-	(1,75,45,953)
Profit for the year	-	23,87,100	-	23,87,100
Other comprehensive income for the year	-	-	-	-
Balance at 31 March 2020	2,22,44,547	(3,74,03,400)	-	(1,51,58,853)
Profit for the year	-	47,42,123	-	47,42,123
Other comprehensive income for the year	-	-	-	-
Balance at 31 March 2021	2,22,44,547	(3,26,61,277)	-	(1,04,16,730)

As per our report of even date
For M/s P.CHANDRASEKAR LLP
Chartered Accountants
Firm Registration No. 000580S/S200066



MR. S RAJGOPALAN
Partner
Membership No. 25349

Place: Chennai
Date: April 30, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Ramesh Swaminathan
Director

M Sathish Kumar
Director

1 CORPORATE INFORMATION

The Company carry on the business of research and development, manufacture, produce, sell, import, export, distribute, trade and deal otherwise in all kinds of pharmaceutical drugs, medicines, beta lactam including penems, medical preparations, chemicals and allied solvents and other liquid drugs and medicines, injections, tablets, capsules, lotions, ointments, medical and Para medical preparations, formula and formulations for the manufacture of beta-lactam including penems in India or elsewhere in the world.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of Accounting

The financial statements for the year ended 31 March 2021 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, with 01 April 2015 as the transition date. Ind AS 101 requires that all the Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended 31 March 2019 be applied consistently and retrospectively for all fiscal years presented. The resulting difference in the carrying amounts of assets and liabilities in the financial statements under both Ind AS and India GAAP as at the transition date have been recognised directly in equity at the transition date.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency.

2.4 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The Company has elected to utilize the option under Ind AS 101 - First-time Adoption of Indian Accounting Standards by not applying the provisions of Ind AS 16 - Property, Plant and Equipment retrospectively and continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment at 1 April 2015, the Company's date of transition to Ind AS, according to the Indian GAAP were maintained in transition to Ind AS. 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 in cost and includes advances paid to acquire fixed assets.

2.5 Investments

Non current investments are carried individually at cost less provision for diminution, other than temporary in the value of the investments.

2.6 Impairment of Assets

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment if impairment conditions exist. An Impairment loss is recognised when the carrying amount of asset exceeds its recoverable amount. Recoverable amount is determined:

- a) in the case of an individual asset, at the higher of the net selling price and value in use.
- b) in the case of Cash generating units, at the higher of the unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful lives.

2.7 Taxes on Income

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Deferred tax assets and liabilities are recognised for the future tax consequences arising out of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measure using enacted tax rates applicable on the Balance sheet dates.

2.8 Earning Per Share

In determining the earning per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises of the weighted average number of equity shares considered for deriving Basic earnings per shares.

2.9 Foreign Currency Transactions

The transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are translated at the exchange rate prevailing on the date of balance sheet. Exchange differences on settlement are adjusted in the profit and loss account.

2.10 Provision and Contingencies

A provision is recognised when the Company has a present legal or constructive outflow obligations as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation. Contingent Liabilities are not recognised but are disclosed in the notes to the financial statements.

2.11 Use of Estimates

The preparation of financial statements are in conformity with the Accounting Standards generally accepted in India requires that the management makes estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and are reported amounts of revenue and expense during the reported period. Actual results could differ from those estimates.

2.12 Revenue recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

2.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

Sequent Penems Private Limited**Notes to financial statements****(Amount in Rs.)**

Note no	Particulars	As at 31 March 2021	As at 31 March 2020
Note 4	Other Non Current Financial Assets (Unsecured, considered good)		
	Security Deposit	1,68,800	7,88,800
	Loans and advances-Quest HealthCare (P) Ltd	-	45,00,000
		1,68,800	52,88,800
Note 5	Income tax assets (net) Advance income tax (net of provisions)	8,91,866	13,69,795
	Total	8,91,866	13,69,795
Note 6	Other Non Current Assets (Unsecured, considered good)		
	Capital Advances	-	37,34,802
		-	37,34,802
Note 7	Deferred tax assets (net) Deferred tax asset on account of: Carry forward business loss and unabsorbed depreciation		
	- Retirement benefits		
	- MAT credit entitlement	6,24,447	6,18,606
	Others		
		6,24,447	6,18,606
Note 8	Trade receivables (a) Unsecured, considered good	36,21,449	23,48,490
	(b) Unsecured, considered doubtful	-	-
		36,21,449	23,48,490
	Less: Provision for doubtful debts	-	-
		36,21,449	23,48,490
	Other Debts		
	Secured		
	(a) Unsecured, considered good	-	-
	(b) Considered Doubtfull	-	-
		-	-
	Less: Provision for doubtful debts	-	-
		-	-
		36,21,449	23,48,490
Note 9	Cash and Cash Equivalents Balances with banks		
	- In current accounts	6,81,594	11,40,561
		6,81,594	11,40,561
Note 9	Loans & Advances (Unsecured, considered good)		
	Loans & Advances to related parties	40,40,000	40,40,000
	Advances to others	-	1,25,000
		40,40,000	41,65,000

Sequent Penems Private Limited

Notes to financial statements

Note 11 Share Capital

(Amount in Rs.)

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
a) Authorised				
Equity shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
b) Issued, subscribed and fully paid-up				
Equity shares of Rs.10 each	45,25,826	4,52,58,260	45,25,826	4,52,58,260
	45,25,826	4,52,58,260	45,25,826	4,52,58,260

c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity Shares at the beginning of the year	45,25,826	4,52,58,260	45,25,826	4,52,58,260
Shares Issued during the year	-	-	-	-
Equity Shares at the end of the year	45,25,826	4,52,58,260	45,25,826	4,52,58,260

d) Details of shares held by the holding Company, the ultimate holding company, their subsidiaries and associates

Class of Shares	As at 31 March 2021		As at 31 March 2020	
	Holding Company	Associates of the holding company	Holding Company	Associates of the holding company
	Number of Shares			
Equity Shares with voting rights	45,12,066	4,60,000	40,38,328	4,60,000

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Solara Active Pharma Sciences Limited	45,12,066	99.70%	40,38,326	89.23%
Chayadeep Properties Pvt Ltd	-	0.00%	4,50,000	9.94%
Ram Prasad	10	0.00%	-	0.00%
Mr. K R Ravishankar	13,750	0.30%	13,750	0.30%

As approved by Solara's Board to acquire additional share capital in Company at its meeting held on February 03, 2021. Further, subsequent to year end, the said transaction is completed and Sequent Penems Private limited is a wholly owned subsidiary of Solara Active Pharma Sciences with effect from April 27, 2021

Note 12 Other Equity

As at 31 March 2020 As at 31 March 2020

a) Retained Earnings		
Opening Balance	(3,45,32,678)	(3,69,19,778)
(Loss)/ Profit for the year	47,42,123	23,87,100
Closing Balance	(2,97,90,555)	(3,45,32,678)
b) Securities Premium		
Closing Balance	2,22,44,547	2,22,44,547
	2,22,44,547	2,22,44,547
Other Equity (Total)	(75,46,008)	(1,22,88,131)

Particulars		As at 31 March 2020	As at 31 March 2020
Note 13	Current Financial Liabilities (Unsecured, considered good)		
	Loan from related parties	12,88,82,852	12,88,82,852
		<u>12,88,82,852</u>	<u>12,88,82,852</u>
Note 14	Trade Payable		
	Trade Payable	84,997	4,85,000
		<u>84,997</u>	<u>4,85,000</u>
Note 15	Other Current Liabilities		
	Statutory remittances	53,100	1,01,070
	Payables on purchase of fixed assets	-	1,30,81,132
	Security Deposit	-	25,00,000
	Others	-	66,079
	Provision for Income tax	9,32,006	6,18,606
		<u>9,85,106</u>	<u>1,63,66,887</u>

Sequent Penems Private Limited
Notes to financial statements

Note no	Particulars	(Amount in Rs.)	
		Year ended 31 March 2021	Year ended 31 March 2020
Note 16	Other Income		
	Rental Income from Property	56,49,000	69,18,001
	Miscellaneous Income	41,70,935	54,700
		98,19,935	69,72,701
Note 17	Finance costs		
	Other borrowing costs	2,596	14,906
		2,596	14,906
Note 18	Depreciation and amortization expense		
	Tangible assets	30,96,769	30,61,221
		30,96,769	30,61,221
Note 19	Other expenses		
	Repairs and maintenance:		
	- Building	-	-
	Legal and Professional charges	20,000	10,000
	Payment to Auditors	84,996	85,000
	Insurance		
	Rates and taxes	6,37,649	2,85,187
	Net (Profit) / loss on foreign currency transactions and translation	3,528	9,63,017
	Other expenses	-	1,66,270
		7,46,173	15,09,474
Note 20	Tax expense		
	Current tax	10,77,855	-
	Previous year	1,54,419	-
	Deferred tax	-	-
		12,32,274	-