

# CORPORATE GOVERNANCE REPORT

YOUR COMPANY BELIEVES IN CREATING WEALTH FOR ALL ITS SHAREHOLDERS.

CONSIDERABLE EMPHASIS IS PLACED ON ACCOUNTABILITY IN DECISION MAKING AND ETHICS IN IMPLEMENTING THEM.

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes in creating wealth for all its shareholders. In pursuit of this objective, the Policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value.

All decisions are taken in the interest of the shareholders. The Board and the management are aware and conscious of minority shareholder's interest and everything is done to enhance shareholders value in totality. Hence, considerable emphasis is placed on accountability in decision-making and ethics in implementing them.

Adequate and timely information is critical to accountability. The Company believes to act in the spirit

of law and not just the letter of law. We aim at providing complete transparency in our operations.

## 2. BOARD OF DIRECTORS:

### Composition of Board

The composition of Board of Directors of the Company is an appropriate combination of Executive and Non-executive Directors with right element of independence. As on date the Board consists of four Directors. Fifty percent of the Board consists of Non-executive Independent Directors.

### Meetings held during the year

During the year ended 31 March 2014, 7 (Seven) Board Meetings were held. These meetings were held on 30 May 2013, 13 July 2013, 14 August 2013, 13 November 2013, 14 January 2014, 12 February 2014 and 19 March 2014.

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

### Composition of the Board and Directorships held as at 31 March 2014

Sl. No	Name of the Director	Category of Director	Number of other Directorships	Number of memberships in other Board Committees	Chairmanships in other Board Committees
1	Mr. K R Ravishankar	Promoter & Chairman	1	-	-
2	Dr. Gopakumar G Nair	Independent Director	4	-	2
3	Mr. Kannan Ramanujam	Independent Director	1	-	-
4	Dr. Gautam Kumar Das	Executive Director	3	-	-

#### Notes:

- No. of other directorships include directorships in Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies and exclude directorships in Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships, if any.
- The disclosure excludes directorships and the committee chairmanships and memberships in the Company.

3. The disclosure includes memberships and chairmanships of mandatory committees as mandated by listing agreement viz. Audit Committee and Shareholders/ Investors Grievance Committee and excludes all other memberships and chairmanships in other committees.
4. No. of committee memberships and chairmanships in all Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies are considered for the purpose of disclosure and all other companies including Private Limited Companies, Foreign Companies and Section 25 Companies have been excluded.
5. None of the directors holds directorships in more than fifteen companies, memberships in more than ten Committees and chairmanships in more than five Committees across all companies in which he is a director.
6. None of the directors is related to any other Director in the Company.
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of Section 217 of the Companies Act, 1956.
  - 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 judgment 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. Qualifications 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, right 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 right issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing with the management, performance of statutory and

**Attendance at Board meetings and last Annual General Meeting**

The attendance of each Director at Board Meeting held during the year and the last Annual General Meeting (AGM) is as under:

Sl. No	Name of the Director	No. of Meetings Held	Attendance at the Board Meetings	Attendance at the Last AGM
1	Mr. K R Ravishankar	7	-	-
2	Dr. Gopakumar G Nair	7	7	Present
3	Mr. Kannan Ramanujam	7	6	Present
4	Dr. Gautam Kumar Das	7	7	Present

Due to health reasons, Mr. K R Ravishankar has not attended any of the meetings held during the financial year 2013-14. Mr. K R Ravishankar is not seeking re-appointment at the ensuing AGM and hence he will cease to be a Director with effect from the date of the ensuing AGM.

**3. AUDIT COMMITTEE:**

**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 Companies Act, 1956 and those of the Listing Agreement.

**The Audit Committee has the following responsibilities/ powers:**

- Overseeing the Company's overall financial reporting process and to ensure that financial statements are correct, sufficient and credible.
- Reviewing with management, the quarterly and annual financial statements, before submitting to the Board, with primary focus on accounting policies and practices

and compliance therewith, stock exchange requirements and other legal requirements concerning financial statements.

- Reviewing the adequacy of the internal control system, internal audit and their reports.

**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. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing with the management, the quarterly financial statements 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 (2AA) of Section 217 of the Companies Act, 1956.
  - 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 judgment 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. Qualifications in the draft audit report.
4. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right 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 right issue and making appropriate recommendations to the Board to take up steps in this matter.
5. Reviewing with the management, performance of statutory and

internal auditors and adequacy of the internal control systems.

8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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, if any.
13. To review the functioning of the Whistle Blower Mechanism.
14. Approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate.
15. To investigate any activity within the terms of reference of the Committee.
16. To seek information from any employee.
17. To obtain outside legal or other professional advice.
18. To secure attendance of outsiders with relevant expertise if it considers necessary.

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

During the year ended 31 March 2014, 4 (Four) Audit Committee Meetings were held. These meetings were held on 30 May 2013, 14 August 2013, 13 November 2013 and 12 February 2014.

As on date the Committee has three members consisting of two Non-executive Independent Directors and one Non-executive Director.

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

Sl. No	Member	Chairman/Member	No. of Meetings Held	No. of meetings attended
1	Mr. Kannan Ramanujam	Chairman	4	4
2	Dr. Gopakumar G Nair	Member	4	4
3	Mr. K R Ravishankar	Member	4	-

On 13 August 2014, Dr. Gautam Kumar Das, Joint Managing Director was inducted as a Member in place of Mr. K. R. Ravishankar and the current composition of the Audit Committee is as under:

- Mr. Kannan Ramanujam, Chairman
- Dr. Gopakumar G Nair, Member
- Dr. Gautam Kumar Das, Member

The Company Secretary of the Company also acts as the secretary to this Committee.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### Terms of Reference

The Company has constituted a committee called Nomination and Remuneration Committee to determine on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive

directors including pension rights and any compensation payment.

The Committee, previously known as Remuneration Committee was renamed as Nomination and Remuneration Committee on 28 May 2014 to be in line with the Companies Act, 2013 and the recently amended clause 49 of the Listing Agreement, which will come into force from 01 October 2014.

The Committee also functions as the Compensation Committee as prescribed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

##### Composition of Nomination and Remuneration Committee

As on date members of the Nomination and Remuneration Committee are Mr. Kannan Ramanujam and Dr. Gopakumar G Nair who are non-executive independent directors of the Company. During the year ended 31 March 2014, two Nomination and Remuneration Committee meetings were held. These meetings were held on 30 May 2013 and 12 February 2014.

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

Sl. No	Member	Chairman/Member	No. of Meetings Held	No. of meetings attended
1	Mr. Kannan Ramanujam	Chairman	2	2
2	Dr. Gopakumar G Nair	Member	2	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 caliber talent.

### Remuneration paid to Directors

Name of the Director	₹ In Million				
	Salary	Benefits	Bonus	Sitting Fees	Total
Mr. K R Ravishankar Chairman (refer note 1)	14.25	-	-	-	14.25
Dr. Gautam Kumar Das (Joint Managing Director)	12.51	-	-	-	12.51
Dr. Gopakumar G Nair (Independent Director)	-	-	-	0.14	0.14
Mr. Kannan Ramanujam (Independent Director)	-	-	-	0.12	0.12

**Note 1:** Based on the revised approval received from the Central Government during the financial year 2013-14, the Company has recovered excess salaries and allowances paid in the earlier years of ₹ 26.81 Million.

As per the existing HR policy of the Company a notice period of 3 months is applicable to a whole time director of the Company.

On 30 May 2013, the Company granted 50,000 Stock options to Dr. Gautam Kumar Das. As on date, 12,500 Stock options were exercised and 37,500 Stock options are outstanding.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship committee has been constituted in terms of the provisions related thereto in the Companies Act, 2013 and Listing agreement with the Stock Exchanges under the chairmanship of a Non-executive Independent Director to specifically look into

the redressal of shareholder and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc.

The Committee, previously known as Shareholders/ Investors Grievance Committee was renamed as Stakeholders Relationship Committee on 28 May 2014 to be in line with the Companies Act, 2013 and the recently amended clause 49 of the Listing Agreement, which will come into force from 01 October 2014.

As on date the Committee comprises of two Independent Directors and one Non-executive Director of the Company. The Committee is headed by Mr. Kannan Ramanujam, a Non-executive Independent Director of the Company.

During the year ended 31 March 2014, 4 (Four) Meetings were held. These meetings were held on 30 May 2013, 14 August 2013, 13 November 2013 and 12 February 2014.

Sl. No	Member	Chairman/ Member	No. of Meetings Held	No. of meetings attended
1	Mr. Kannan Ramanujam	Chairman	4	4
2	Dr. Gopakumar G Nair	Member	4	4
3	Mr. K R Ravishankar	Member	4	-

On 13 August 2014, Dr. Gautam Kumar Das, Joint Managing Director was inducted as a Member in place of Mr. K. R. Ravishankar and the current composition of the Stakeholders Relationship Committee is as under:

- Mr. Kannan Ramanujam, Chairman
- Dr. Gopakumar G Nair, Member
- Dr. Gautam Kumar Das, Member

The Company Secretary of the Company also acts as the Compliance Officer of the Company.

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

The Company has not received any complaints from the shareholders during the period 01 April 2013 to 31 March 2014.

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

## 6. 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 passed
2010-2011	29 November 2011, 11.30 a.m.	Hotel Fortune Park Lake city Thane (W), Mumbai- 400 604	Confirmation of appointment of Mr. K.R.N. Moorthy as Whole Time Director
2011-2012	26 September 2012, 11.30 a.m.	Hotel Fortune Park Lake city, Thane (W), Mumbai- 400 604	1. Allotment of 2,100,000 warrants to promoter group entities 2. Increase in managerial remuneration of Dr. Gautam Kumar Das
2012-2013	27 September 2013, 11.30 a.m.	Hotel Satkar Residency, Thane (W) Mumbai-400 606	Re-appointment, re-designation and revision of remuneration Dr. Gautam Kumar Das

Details of Extra-ordinary General Meeting of the Company held during the year:

Date and Time	Venue	Special Resolutions passed
14 January 2014 12.00 noon	The HHI Select, 686, 15th Cross, Ring Road, 2nd Phase, J P Nagar, Bangalore- 560078	Issue of 3,700,000 warrants to promoter group entities on preferential basis.

Details of resolution passed through Postal Ballot:

During the year ended 31 March 2014, the Company sought the approval of its members, through a postal ballot, for hiving off the Veterinary Formulations Division located at Additional Ambernath of the Company to a wholly owned subsidiary.

Sl. No	Item	No. of Valid Votes Polled	Votes Cast	
			For	Against
1.	Approval under Sec 180(1)(a) of the Companies Act, 2013 for hiving off the veterinary Formulations Division of the Company.	17,570,731	17,570,730 (representing 100% of the total valid votes polled)	1 (representing 0% of the total valid votes polled)

The resolution was passed on 10 December 2013. Mr. Binoy Chacko, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot exercise.

The Company followed the procedure as provided in Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and any amendments thereto to conduct postal ballot.

**7. DISCLOSURES:**

- i. 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. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note 29.2 to the financial statements in the Annual Report.
- ii. The Company has complied with the requirements of the Stock Exchanges, 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.
- iii. Company is in compliance with all mandatory requirements of clause 49 of the listing agreement.
- iv. As regards adoption of non-mandatory requirements as contained in Annexure 1-D to clause 49 of the listing agreement, the Company has implemented the requirements with relation to constitution of remuneration committee and matters related therewith.
- v. The Company had appointed Grant Thornton India LLP, Chartered Accountants as internal auditors of the Company for the financial year 2013-14. The reports of internal auditors are regularly being 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.
- vi. Board of Directors at their meeting held on 28 May 2014 has approved the implementation of Whistle Blower Policy namely "Sequent Whistle Blower Policy - 2014" throughout the Company in order to curb the unethical or improper behaviour/ practices or alleged wrongful conduct or violation of Code of Conduct of the Company or applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company

funds or assets within the Company or by the Company. This policy helps in providing a mechanism for personnel to report to the Authority concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

**8. REAPPOINTMENT OF DIRECTOR**

Dr. Gautam Kumar Das, Joint Managing Director of the Company retires by rotation at this ensuing AGM and being eligible offered himself for re-appointment at the AGM.

Dr. Gautam Kumar Das, Joint Managing Director of the Company has over thirty five years of in depth experience in the pharmaceutical industry. Dr. Das has extensive experience in R&D, Plant Operations, Project Management, Material Management, Resource Management and Man Management. He has a proven track record in developing several cost effective processes, driving these processes from the laboratory to the plant and increasing productivity of plants. Dr. Das, a Doctorate in Synthetic Organic Chemistry from IIT Kharagpur, has authored several publications on chemical processes. At present Dr. Das is Joint Managing Director on the Board of the Company. Before joining the Company, Dr. Das was with Orchid Chemicals & Pharmaceuticals Ltd., Chennai as its President - API.

As on 31 March 2014, Dr. Gautam Kumar Das was holding nil shares of the Company.

Details of other directorships/ committee memberships of Dr. Gautam Kumar Das

S. No.	Name of Company
1.	Sequent Anti Biotics Private Limited
2.	Sequent Oncolytics Private Limited
3.	Alivira Animal Health Limited

Dr. Das does not hold membership/ chairmanships in any of the Committees.

Mr. K R Ravishankar who is liable to retire by rotation at the ensuing AGM is not seeking re-appointment due to health reasons and hence he will cease to be a Director with effect from the date of the ensuing AGM.

Details of Shareholding of Non-Executive Directors

In terms of Clause 49(IV)(E)(iv) of the Listing Agreement, the details of shares held by Non-Executive Directors are as under:

Name	No. of shares held as at March 31, 2014
Mr. K R Ravishankar*	5,579,986
Dr. Gopakumar G Nair	23,348
Mr. Kannan Ramanujam	Nil

\* Become Non-Executive Director with effect from 01 November 2013

**9. MEANS OF COMMUNICATION:**

- (a) The quarterly/ annual results are forthwith communicated to the Bombay Stock Exchange as soon as they are approved and taken on record by the Board of Directors of the Company.
- (b) The results are published in the newspapers namely The Free Press Journal, The Business Standard (English) and Nav-Shakti (Marathi).
- (c) The results and shareholding pattern of the Company are displayed on the website of the Company i.e. www.sequent.in.
- (d) The official news releases, if released will be intimated to stock exchange and also displayed on the website of the Company.

**10. GENERAL SHAREHOLDER INFORMATION:**

<b>AGM Date, Time and Venue</b>	Monday, 29 September 2014, 11.30 a.m. Hotel Satkar Residency Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (W) - 400 606, Maharashtra
<b>Financial Year</b>	01 April 2013 to 31 March 2014
<b>Date of Book Closure</b>	25 September 2014 to 29 September 2014 (both days inclusive)
<b>Dividend payment date</b>	NA
<b>Listing on Stock Exchanges</b>	The equity shares of the Company are listed on the Bombay Stock Exchange Limited Stock Code : 512529 ISIN : INE807F01019  The Company has paid listing fee for the financial year 2014 -15 to the Stock Exchange and there are no outstanding payments from the Company.
<b>Registrar &amp; Transfer Agents</b>	<b>M/s. Adroit Corporate Services Private Limited</b> 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059, Maharashtra.  Contact Person: Mr. Pratap Pujare Phone No.+91 22 2859 6060 Email Address: pratapp@adroitcorporate.com
<b>Share transfer system</b>	The shares of the Company are tradable compulsorily in demat mode.  Physical share transfers are attended on a regular basis and the Company Secretary is authorised to approve such transfers.
<b>Address for correspondence</b>	<b>Mr. Preetham Hebbar</b> Company Secretary Sequent Scientific Limited  <b>Corporate Office,</b> Star - I, Opp IIM - B, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, Karnataka Phone No. +91 80 6784 0338 Email: preetham.hebbar@sequent.in

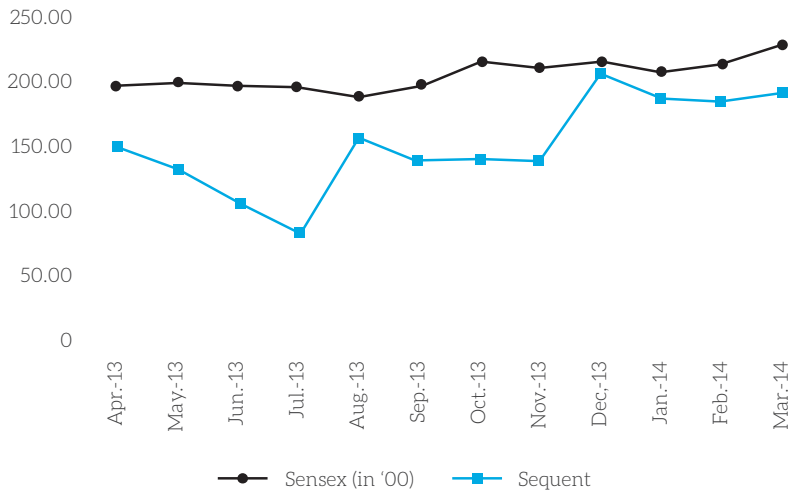
**Market Price Data (High, Low during each month in financial year 2013-14)**

Month	High	Low
Apr-13	170.00	127.05
May-13	172.00	128.00
Jun-13	133.95	104.00
Jul-13	131.80	81.30
Aug-13	170.00	81.95
Sep-13	174.70	136.75
Oct-13	149.90	130.00
Nov-13	161.90	130.00
Dec-13	214.80	125.00
Jan-14	218.75	166.75
Feb-14	195.00	165.00
Mar-14	212.95	172.60

**Performance in comparison to SENSEX: Monthly closing price analysis**

Month	Sensex	Sequent
Apr-13	19,504.18	151.30
May-13	19,760.30	131.80
Jun-13	19,395.81	109.00
Jul-13	19,345.70	85.95
Aug-13	18,619.72	158.20
Sep-13	19,379.77	137.85
Oct-13	21,164.52	139.90
Nov-13	20,791.93	139.05
Dec-13	21,170.68	202.75
Jan-14	20,513.85	186.35
Feb-14	21,120.12	185.00
Mar-14	22,386.27	190.00

Sequent Equity share price versus BSE SENSEX



Distribution Schedule as at 31 March 2014:

Slab of Shareholding	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
1-100	1,171	49.57	57,626	576,260	0.21
101-500	713	30.19	202,122	2,021,220	0.74
501-1000	175	7.41	143,432	1,434,320	0.52
1001-2000	141	5.97	218,085	2,180,850	0.80
2001-3000	47	1.99	117,563	1,175,630	0.43
3001-4000	19	0.80	68,407	684,070	0.25
4001-5000	21	0.89	100,786	1,007,860	0.37
5001-10000	33	1.40	234,398	2,343,980	0.86
10001-20000	14	0.59	210,396	2,103,960	0.77
20001-50000	11	0.47	357,066	3,570,660	1.31
50001 & above	17	0.72	25,625,310	256,253,100	93.74
<b>Total</b>	<b>2,362</b>	<b>100</b>	<b>27,335,191</b>	<b>273,351,910</b>	<b>100</b>



**Bifurcation of shares held in physical and demat as at 31 March 2014:**

Particulars	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
Shares held in Electronic Mode	2,356	99.75	26,774,936	267,749,360	97.95
Shares held in physical mode	6	0.25	560,255	5,602,550	2.05
<b>Total</b>	<b>2,362</b>	<b>100</b>	<b>27,335,191</b>	<b>273,351,910</b>	<b>100</b>

**Shareholding pattern of Equity Shares as at 31 March 2014:**

Category	Number of shareholders	Number of shares held	% to total paid up capital
Promoters & Promoter Group Companies	8	17,862,833	65.35
Bodies Corporate	122	657,667	2.41
Banks / Mutual Funds/ Financial Institutions (FIs)	-	-	-
Foreign Institutional Investors (FIIs)	1	41,000	0.15
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/Overseas Corporate Bodies (OCBs)/ Foreign Banks	49	5,120,831	18.73
Resident Individuals	2,157	2,923,750	10.70
Directors (Excluding promoter directors) & their relatives	1	23,348	0.08
Trusts	3	700,075	2.56
Others	21	5,687	0.02
<b>Total</b>	<b>2,362</b>	<b>27,335,191</b>	<b>100</b>

**Dematerialisation of shares and liquidity:**

The Company's shares are tradable compulsorily in dematerialised form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Adroit Corporate Services Private Limited, Registrars and Share Transfer Agents. As at 31 March 2014, 26,774,936 shares representing 97.95% of the paid-up share capital of the Company were in dematerialised mode.

**Outstanding ADRs/GDRs/Warrants/Other Convertible Instruments:**

**WARRANTS:** As on date, the total outstanding warrants issued to promoter group are 8,150,000. The details of warrants are given below:

Financial Year	Date of Issue	Allottee Details	No. of Warrants	Issue Price including premium (in ₹)	No. of warrants converted	No. of warrants outstanding
2013-14	28 January 2014	Agnus Capital LLP	1,100,000	135.25	-	1,100,000
		Chayadeep Ventures LLP	1,100,000	135.25	-	1,100,000
		Pronomz Ventures LLP	1,500,000	135.25	550,000	950,000
2014-15	28 May 2014	Agnus Capital LLP	1,000,000	222.15	-	1,000,000
		Chayadeep Ventures LLP	1,000,000	222.15	-	1,000,000
	11 July 2014	Agnus Capital LLP	500,000	236.00	-	500,000
		Chayadeep Ventures LLP	500,000	236.00	-	500,000
		Pronomz Ventures LLP	2,000,000	236.00	-	2,000,000
<b>Total</b>			<b>8,700,000</b>		<b>550,000</b>	<b>8,150,000</b>

**ESOPS:** Company has framed an Employee Stock Option plan titled 'SSL ESOP Scheme 2010' (ESOP Plan) to reward employees of the Company. Under the said plan company has allotted 700,000 equity shares of ₹ 10/- each to the Trust at a price of ₹ 113/- per share. The Company has granted 640,000 stock options to selected employees during the year. Out of which 70,000 options lapsed due to resignation of employees. As at 31 March 2014, 570,000 stock options were outstanding.

As at 31 March 2014 the Company has no outstanding ADRs and GDRs.

#### Plant Locations

1. Plot Nos. 7 & 8, MIDC Engineering Zone, Kalyan Badlapur Road, Ambarnath, Maharashtra
2. Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.

3. Plot Nos. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad. Maharashtra

4. Plot Nos. A-68, Additional Ambarnath, MIDC Indl. Area, Ambarnath (East), Dist. Thane, Maharashtra

5. Plot Nos. 120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore, Karnataka

6. Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore, Karnataka

#### 8. CODE OF CONDUCT

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

The Code of Conduct is also posted on the website of the Company.

All Board Members and Senior Management personnel have confirmed compliance with the code for the financial year 2013 -14.

A declaration to this effect signed by Dr. Gautam Kumar Das, Joint Manager Director is reproduced below:

"I confirm that the Company has in respect of the year ended 31 March 2014, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the Code of Conduct."

**Dr. Gautam Kumar Das**

Joint Managing Director

**TO  
THE MEMBERS OF SEQUENT SCIENTIFIC LIMITED**

We have examined the compliance of conditions of corporate governance by Sequent Scientific Limited ('the Company'), for the year ended on 31 March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the said stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of 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 Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement. 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.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.008072S)

**V. Srikumar**

Partner

(Membership No.84494)

Bangalore, 13 August 2014