

Corporate Governance Report

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. SeQuent Scientific Limited 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 financial year ended 31st March 2012, 7 (Seven) board meetings were held. Dates on which the meetings were held are 27th May 2011, 12th August 2011, 21st October 2011, 21st November 2011, 9th February 2012, 15th March 2012 and 17th March 2012.





Attendance at Board meetings and last Annual General Meeting

The attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and details about Directorships and Memberships in Committees as on 31st March 2012 is as under:

S. No	Name of the Director	Category of Directorship	Number of Board Meetings attended	Last AGM attendance	Number of other Directorships	Total number of membership(s) in other board committees
1	Mr. K R Ravishankar	Promoter, Executive	5	Present	2	1
2	Dr. Gopakumar G Nair	Independent, Non-Executive	2	Present	4	2
3	Mr. Kannan Ramanujam	Independent, Non-Executive	6	Present	NIL	NIL
4	Dr. Gautam Kumar Das	Executive	6	Present	NIL	NIL
5	Mr. K R N Moorthy*	Executive	3	Present	NA	NA
6	Mr. Joe Thomas*	Independent, Non-Executive	4	Present	NA	NA

* Mr. Joe Thomas and Mr. K R N Moorthy resigned from the Board with effect from 18th January 2012 and 23rd January 2012 respectively.

Notes:

1. No. of other directorships excludes directorships in Indian Private Limited Companies, Foreign Companies.
2. Membership in other board committees includes Chairmanships, memberships of Audit Committee & Shareholders Grievance Committee only.
3. None of the directors are related to any other Directors.



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 on 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. 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization 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 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 seek information from any employee;
14. To obtain outside legal or other professional advice;
15. 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 financial year ended 31st March 2012, four Audit Committee Meetings were held on 27th May 2011, 12th August 2011, 21st October 2011 and 9th February 2012.

Due to resignation of Mr. Joe Thomas, The Audit committee of the Company has been re-constituted at Board Meeting held on 9th February 2012. As on the date the Committee has three members consisting of Two Non-Executive Independent Directors and the Managing Director. Details of Members and meetings attended by them during the year are as under:

SN	Member	Chairman / Member	No. of meetings attended
1	Mr. Kannan Ramanujam	Chairman	4
2	Dr. Gopakumar G Nair	Member	2
3	Mr. K R Ravishankar	Member	4
4	Mr. Joe Thomas*	Member	3

Mr. Vinayak Hegde, Company Secretary is the Secretary of the Audit committee.

*Mr. Joe Thomas resigned from the Board with effect from 18th January 2012

4. REMUNERATION COMMITTEE:**Terms of Reference**

The Company has constituted a Remuneration Committee. The terms of reference of the Committee are to recommend remuneration by way of salary, perquisite, allowances and commission for executive directors including pension rights and any compensation payment.

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

Composition of Remuneration Committee

Due to resignation of Mr. Joe Thomas the remuneration Committee has been re constituted at Board Meeting held on 9th February 2012. As on the date, Members of the Remuneration Committee are Mr. Kannan Ramanujam and Dr. Gopakumar G Nair, who are non-executive independent directors of the Company. During the year the committee meetings were held on 27th May 2011 and 12th August 2011. Details of Members and meetings attended by them during the year are as under:

SN	Member	Chairman / Member	No. of meetings attended
1	Mr. Kannan Ramanujam	Chairman	2
2	Dr. Gopakumar G Nair	Member	1
3	Mr. Joe Thomas*	Member	2

*Mr. Joe Thomas resigned from the Board with effect from 18th January 2012

Remuneration Policy

The Remuneration Committee recommends the compensation package of Executive Directors. 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 Mn)				
	Salary	Benefits	Bonus	Sitting Fees	Total
Mr. K R Ravishankar (Managing Director)	21.64	-	-	-	21.64
Mr. Joe Thomas	-	-	-	0.06	0.06
Dr. Gopakumar G Nair	-	-	-	0.04	0.04
Mr. Kannan Ramanujam	-	-	-	0.12	0.12
Dr. Gautam K Das (Executive Director)	9.99	-	-	-	9.99
Mr.KRN Moorthy	9.73	-	-	-	9.73

The Company has paid Remuneration to one of its Directors as per the approval received from Central Government. The managerial remuneration paid for the year ended 31st March, 2012 excludes `12.90 mn for which the Company has made an application to the Central Government for its approval.

5. THE SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Shareholders/ Investors grievance committee has been constituted in terms of the provisions related thereto in the Listing agreement with the Stock Exchanges. Due to resignation of Mr. Joe Thomas the Committee has been reconstituted at Board Meeting held on 9th February 2012. As on the date Committee comprises of two Non-Executive Directors and the Chairman and Managing Director of the Company. i.e., Dr. Gopakumar G Nair, Mr. Kannan Ramanujam and Mr. K R Ravishankar. Mr. Kannan Ramanujam is the Chairman of the Committee.

The Committee is entrusted with the responsibility to address the shareholders and investor complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of dividends etc.

During the year, there were three meetings viz. on 12th August 2011, 21st October 2011, 9th February 2012 held to oversee the compliant redressal system. Details of Members and meetings attended by them during the year are as under

SN	Member	Chairman / Member	No. of meetings attended
1.	Mr. Kannan Ramanujam	Chairman	3
2.	Dr. Gopakumar G Nair	Member	2
3.	Mr. K R Ravishankar	Member	1
4.	Mr. Joe Thomas*	Member	2

* Mr. Joe Thomas resigned from the Board with effect from 18th January 2012

For the purpose of approval of Share Transfer, the Company Secretary who is also the Compliance Officer of the Shareholders / Investors Grievance Committee been authorized to do the needful.

During the year, the Company has received 5 (Five) complaint from shareholders with respect to non receipt of Dividend warrant and the same has been redressed successfully.

6. GENERAL BODY MEETINGS:

The location and time of the last three Annual General Meetings of the Company are as below:

Financial Year	Date	Location of Meeting	Time
2008-2009	04.09.2009	Hotel Royal Inn, Gokul Nagar, Thane (W).	10.30 a.m.
2009-2010	27.09.2010	Hotel Satkar Residency, Thane (W)	11.00 a m
2010-2011	29.11.2011	Hotel Fortune Park Lake city, Thane (W)	11.30 a.m



Details of Special resolutions passed in Annual/Extra-Ordinary General Meetings held during the last three years:

Date	Meeting	Subject matter
04.09.2009	AGM	Appointment and remuneration of Mr. K R Ravishankar, Managing Director
24.05.2010	EGM	1. Approval of Remuneration of Dr. Gautam K Das, Executive Director 2. Revision in Remuneration of Mr. K R Ravishankar, Managing Director.
27.09.2010	AGM	Authorisation to make loan, give guarantee or provide security exceeding the limits as prescribed under Section 372A of Companies Act, 1956.
15.03.2011	EGM	Cancellation of 14,865,000 equity shares held by Fraxis Life Sciences Limited
29.11.2011	AGM	Confirmation of appointment of Mr. K.R.N. Moorthy as Whole Time Director

During the year ended March 31, 2012 no resolution was passed through the Postal ballot process.

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 28.3 (a) & (b) to the notes to accounts in Standalone Financial Statements & 29.4 (a) & (b) in Consolidated Financial Statements.
- (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. 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.
- (iv) The Company has appointed M/s Mahajan & Aibara, Chartered Accountants as internal auditors of the Company. 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.

8. REAPPOINTMENT OF DIRECTOR

Mr. Kannan Ramanujam Director of the Company retires by rotation at this ensuing Annual General Meeting and being eligible offered himself for reappointment at the Annual General Meeting.

Mr. Kannan Ramanujam is a Non Executive Director on the Board. He is a Chartered Accountant by qualification and has over 24 years of business and professional experience. He is the Promoter, CEO and Managing Director of Emerge Learning Services Ltd. The company offers complete solutions in Education, Training, e-governance and Information management areas.

Details of other directorship / committee membership of Kannan Ramanujam

S.No.	Name of Company	Committee Membership
1.	Emerge Learning Services (P) Ltd	NIL
2.	CMTES Informatics (P) Ltd	NIL
3	Infratech Constructions Services (India) Private Limited	NIL
4	Blue Shift India Private Limited	NIL
5	Infratech Infrastructure Services Private Limited	NIL
6	GK Management Services India Private Limited	NIL

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, 2012
Dr. Gopakumar G Nair	23,348
Mr. Kannan Ramanujam	Nil

9. MEANS OF COMMUNICATION:

- (a) The quarterly 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). Further the result and Share Holding Pattern were also posted by the Company's website www.sequent.in.

10. GENERAL SHAREHOLDER INFORMATION:

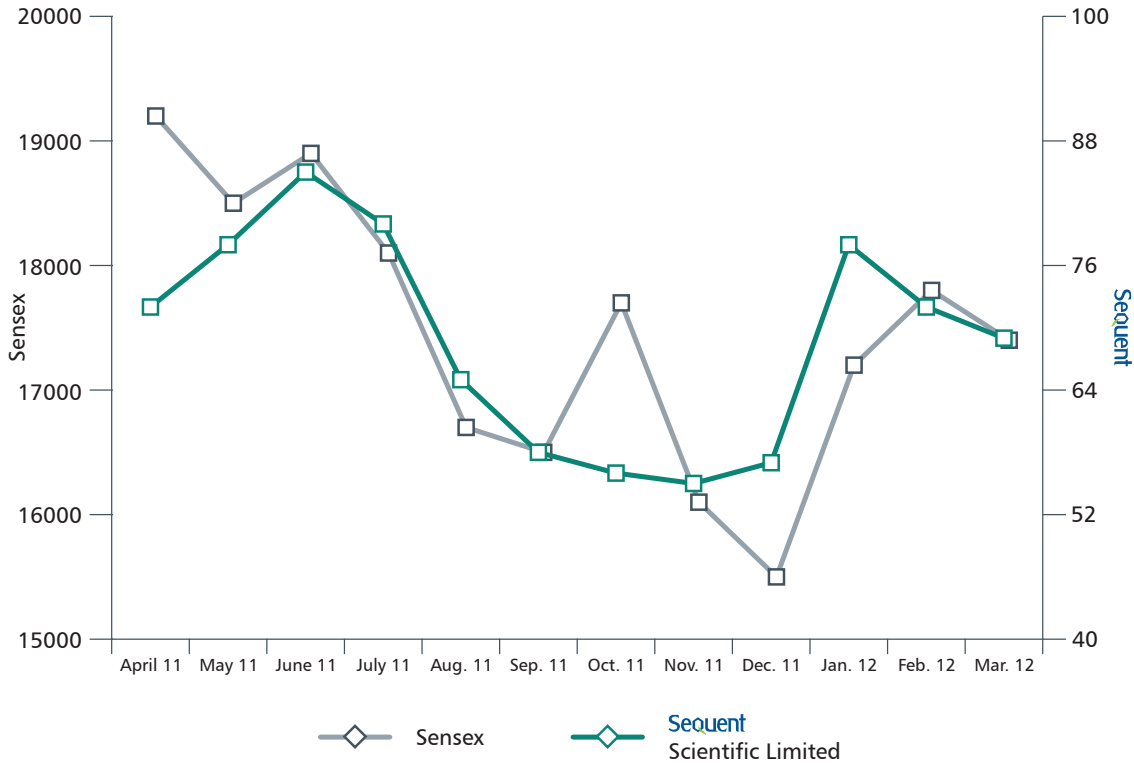
AGM, Date & Venue	Wednesday, September 26, 2012
Financial Year	April 1, 2011 to March 31, 2012
Date of Book Closure	September 24, 2012 to September 26, 2012 (both days inclusive)
Dividend payment date	Not applicable
Listing of shares	The equity shares of the Company are listed in the Bombay Stock Exchange Limited with stock code of 512529 ISIN : INE807F01019
Registrar & Transfer Agent	M/s. Adroit Corporate Services Private Ltd. 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059. Contact Person: Mr. Pratap Pujare Phone No. 022-2859 6060 email ID: pratapp@adroitcorporate.com
Share transfer system	Company's shares are in compulsorily demat mode. Physical share transfers are attended to on a regular basis and the Company Secretary is authorized to approve such transfers
Address for correspondence	Mr. Vinayak Hegde, Company Secretary SeQuent Scientific Limited Corporate Office Star - 2, Opp: IIM – B, Bannerghatta` Road Bilekahalli, Bangalore – 560 076 Phone No. 080-67840338 Email : investors@sequent.in

Market Price Data (High, Low during each month in financial year 2011-12)

Month	High	Low
April 11	82.50	70.20
May 11	93.00	64.95
June 11	92.30	72.00
July 11	95.00	77.35
August 11	82.70	58.20
September 11	67.70	57.50
October 11	62.90	50.30
November 11	62.90	51.30
December 11	58.30	51.00
January 12	83.80	51.00
February 12	85.00	69.40
March 12	77.95	66.20

Performance in comparison to SENSEX: Monthly closing price analysis

Month	Sensex	Sequent
April 11	19,135.96	71.55
May 11	18,503.28	78.15
June 11	18,845.87	84.75
July 11	18,197.20	80.00
August 11	16,676.75	65.00
September 11	16,453.76	57.65
October 11	17,705.01	56.00
November 11	16,123.46	55.50
December 11	15,454.92	57.25
January 12	17,193.55	77.80
February 12	17,752.68	72.15
March 12	17,404.20	68.55



Distribution Schedule as on March 31, 2012:

Shares slab	Shares (')	No. of share Holders	per cent age	Total	Amount	per cent age
UP TO	- 100	934	39.49	52,601	526,010	0.24
	101 - 500	958	40.51	293,418	2,934,180	1.34
	501 - 1000	181	7.65	151,437	1,514,370	0.69
	1001 - 2000	110	4.65	173,354	1,733,540	0.79
	2001 - 3000	57	2.41	147,512	1,475,120	0.67
	3001 - 4000	19	0.80	68,996	689,960	0.31
	4001 - 5000	8	0.34	39,500	395,000	0.18
	5001 - 10000	45	1.90	327,046	3,270,460	1.49
	10001 - 20000	21	0.89	295,324	2,953,240	1.35
	20001 - 50000	11	0.47	333,207	3,332,070	1.52
	50001 & Above	19	0.89	20,052,796	200,527,960	91.42
Total :		2,363	100	21,935,191	219,351,910	100.00
Shares held in physical Mode		6	0.25	710,255	7,102,550	3.24
Shares held in Electronic Mode		2,359	99.75	21,224,936	212,249,360	96.76

Shareholding pattern of Equity Shares as on March 31, 2012:

Category	Number of shareholders	Number of shares held	Voting strength
Promoters & Persons Acting in concert	5	12,189,979	55.57
Other Directors, their relatives	1	23,348	0.11
Bodies Corporate (Domestic)/Trusts	112	978,961	4.46
Banks / Mutual Funds/ Financial Institutions (FIs)	NIL	NIL	NIL
Foreign Institutional Investors (FIIs)	1	40,935	0.19
Non-Resident Individuals (NRIs)/ Foreign Corporate Bodies/Overseas			
Corporate Bodies (OCBs)/ Foreign Banks	29	5,042,100	22.99
Resident Individuals	2,214	2,959,868	13.49
TRUST Constituted to implement ESOP	1	700,000	3.19
Total	2,363	21,935,191	100

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrars, Adroit Corporate Services Pvt Ltd. As on March 31 2012 96.76 per cent of the paid-up share capital of the Company representing 21,224,936 shares have been dematerialized.

Outstanding ADRs/GDRs/warrants/ other convertible instruments:

The Company has no outstanding ADRs / GDRs / warrants.

ESOPs: Company has framed an Employee Stock Option plan to reward its employee. It is proposed to grant options under the said plan through Trust that has been established by the Company for the purpose having independent directors as its trustees. The Plan was approved by the shareholders on 28.03.2008, However Board in its meeting has modified some of the provisions of ESOP Plan. Modified ESOP Plan was approved by the shareholders on 24.05.2010 through Postal Ballot. Under the said plan company has allotted 700,000 equity shares of ₹ 10/- each to the Trust at a price of ₹ 113/- per share.

Plant Locations

Plot No. 7 & 8, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath, Maharashtra.
W-152,150, 151,136,137,138,139, 140 & 141 - MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.
B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad, Maharashtra.
A-68 and 69, Additional Ambernath, MIDC Indl. Area, Ambernath (East), Dist. Thane, Maharashtra
120 A & B , Plot No. 36, Industrial Area, Baikampady, New Mangalore, Karnataka.
Plot No. 26, 26B, GIDC Industrial Estate, Panoli, Dist. Bharuch, Gujarat.
A-14, MIDC, Phase I, Dombivali (E), Dist. Thane, Maharashtra

11. CODE OF CONDUCT

The Board has prescribed Code of Conduct ("Code") for all Board Members and Senior Management of the Company, which is also put on the website of the Company.

All Board Members and Senior Management personnel have confirmed compliance with the code for the year 2011 – 2012.

A declaration to this effect signed by the Mr. K.R. Ravishankar, Managing Director is reproduced below:

"I confirm that the Company has in respect of the year ended March 31, 2012, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the Code of Conduct".



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 March 31 2012, 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 Registration No.0080725)

V. Srikumar
Partner

Bangalore, August 14, 2012

(Membership No.84494)