

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") 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 seven directors with more than fifty percent of the Board being Non-executive. Three Directors in the Board are Independent Directors.

The Independent Directors of the Company fulfill the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 (1)(b) of the Regulations. Independent Directors are independent of the management. The Company has received declarations from the Independent Directors that they meet with the criteria of independence as prescribed under Section 149(6) of the Act. A formal letter of appointment as provided in the Act and the Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors is disclosed on the website of the Company i.e. www.sequent.in.

Board Meetings held during the year

During the year ended March 31, 2016, 11 (Eleven) Board Meetings were held. These meetings were held on April 15, 2015, April 24, 2015, June 10, 2015, June 30, 2015, July 8, 2015, July 30, 2015, August 13, 2015, October 29, 2015, December 7, 2015, January 11, 2016 and February 11, 2016.

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 March 31, 2016:

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.	Dr. Gopakumar G Nair	Independent Non-Executive Director	4	3	2
2.	Mr. Manish Gupta	Executive Director	3	-	-
3.	Dr. Gautam Kumar Das	Executive Director	3	-	-
4.	Mr. Kannan Ramanujam*	Non-Executive Director	NA	NA	NA
5.	Mr. Kausalya Santhanam	Independent Non-Executive Director	1	1	-
6.	Mr. Narendra Mairpady**	Independent Non-Executive Director	8	7	1
7.	Dr. S. Devendra Kumar***	Non-Executive Director	2	-	-
8.	Mr. K E C Rajakumar****	Non-Executive Director	5	1	-

*Mr. Kannan Ramanujam resigned from the directorship of the Company with effect from February 11, 2016.

**Mr. Narendra Mairpady was appointed as an additional director (Independent) with effect from August 1, 2015 and members had approved his appointment as a Director and Independent Director at their Annual General Meeting held on September 24, 2015.

***Dr. S Devendra Kumar was appointed as an additional director with effect from October 29, 2015.

****Mr. K E C Rajakumar was appointed as an additional director with effect from February 11, 2016.

Notes:

1. No. of other directorships include directorships in Public Limited Companies and Private Limited Companies and Alternate Directorships, if any and exclude Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. The disclosure excludes directorships and the committee chairmanships and memberships in the Company.
3. The disclosure includes memberships and chairmanships in the Audit Committee and the Stakeholders Relationship Committee and excludes all other memberships and chairmanships in other committees.
4. No. of committee memberships in all Public Limited Companies and chairmanships in all Listed Companies are considered for the purpose of disclosure and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 have been excluded.
5. None of the directors holds directorships in more than twenty companies including maximum limit of 10 Public Companies, memberships in more than ten Committees in all Public Limited Companies excluding the committee memberships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies

Act, 2013 and chairmanships in more than five Committees across all listed companies in which he is a director.

6. None of the directors is related to any other director in the Company.

Separate Meeting of Independent Directors

In terms of provisions of the Companies Act, 2013 and the Listing Agreement as entered with the Stock Exchange/ Regulations, the Independent Directors met on May 14, 2016 in the year 2016-17 without the presence of Non-Independent Directors.

The independent directors in the meeting inter-alia:

- i. reviewed the performance of non-independent directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation programme for Independent Directors/ Non-Executive Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with Company's procedures and practices. Periodic presentations are made at the Board Meetings on regulatory updates, roles and responsibilities as a Director of the Company, updates on industry in which the Company operates and business model of the Company.

The details on familiarisation programme is disclosed on the website of the Company [www.sequent.in](http://sequent.in) (web link: http://sequent.in/pdf/independent-director/Sequent_Familiarization_Programme_for_Independent_Directors.pdf)

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 during the year 2015-16	Attendance at the Board Meetings	Attendance at the Last AGM
1.	Dr. Gopakumar G Nair	11	9	Present
2.	Mr. Manish Gupta	11	8	Present
3.	Dr. Gautam Kumar Das	11	9	Absent
4.	Mr. Kannan Ramanujam*	11	6	Present
5.	Dr. Kausalya Santhanam	11	9	Present
6.	Mr. Narendra Mairpady**	11	4	Present
7.	Dr. S. Devendra Kumar***	11	2	NA
8.	Mr. K E C Rajakumar****	11	-	NA

*Mr. Kannan Ramanujam resigned from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

**Mr. Narendra Mairpady was appointed as an additional director (Independent) with effect from August 1, 2015 and members had approved his appointment as a Director and Independent Director at their Annual General Meeting held on September 24, 2015.

***Dr. S Devendra Kumar was appointed as an additional director with effect from October 29, 2015.

****Mr. K E C Rajakumar was appointed as an additional director with effect from February 11, 2016.

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, 2013 and the Listing Agreement as entered with the Stock Exchange/ Regulations.

The Audit Committee has the following responsibilities/ powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee includes the following:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - 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. Modified opinions 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, rights 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 rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the financials of unlisted subsidiaries, in particular the investment made by unlisted subsidiaries;
21. Reviewing the statement of deviations:
 - a. Quarterly statement of deviations including report of monitoring agency, if applicable, submitted to stock exchange in terms of the Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b. Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

During the year ended March 31, 2016, 4 (Four) Audit Committee Meetings were held. These meetings were held on April 24, 2015, July 30, 2015, October 29, 2015 and February 11, 2016.

As on date the Committee comprises of Non-executive Independent Directors.

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

Sl. No	Member	Chairperson/Member	No. of meetings held	No. of meetings attended
1.	Dr. Gopakumar G Nair	Chairperson	4	4
2.	Mr. Kannan Ramanujam*	Member	4	4
3.	Dr. Kausalya Santhanam	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	2

*Mr. Kannan Ramanujam ceased to be a member of the Audit Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

** Mr. Narendra Mairpady was inducted to the Audit Committee as its member on August 1, 2015.

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The role of the Nomination and Remuneration Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Discussing and deciding on whether to extend or continue the term of appointment of this independent director on the basis of the report of performance evaluation of independent director.

Composition of Nomination and Remuneration Committee

During the year ended March 31, 2016, 4 (Four) Nomination and Remuneration Committee meetings were held. These meetings were held on July 30, 2015, October 29, 2015, January 11, 2016 and February 11, 2016.

As on date the Committee comprises of three members of Non-executive Independent Directors.

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

Sl. No	Member	Chairperson/Member	No. of meetings held	No. of meetings attended
1.	Dr. Kausalya Santhanam	Chairperson	4	4
2.	Dr. Gopakumar G Nair	Member	4	4
3.	Mr. Kannan Ramanujam*	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	3

*Mr. Kannan Ramanujam ceased to be a member of the Nomination and Remuneration Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

** Mr. Narendra Mairpady was inducted to the Nomination and Remuneration Committee as its member with effect from August 1, 2015.

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.

Performance evaluation criteria for independent directors

Pursuant to provisions of Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement as entered with stock exchange/ Regulations, the Company has formulated a policy called as Sequent Board Performance Evaluation Policy ("the Policy"). Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the Independent Directors at regular intervals and at least on an annual basis. The questionnaire is structured to embed various parameters based on

which the performance of a Board can be evaluated. Customised questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole. Based on the Policy the evaluation was conducted by the Company. The entire Board of Directors will evaluate the performance of independent directors excluding the director being evaluated on annual basis as per the policy. Based on the report of performance evaluation, the Company will determine whether to extend or continue the term of appointment of the Independent Director.

Remuneration paid to Directors

Name of the Director	Salary	Benefits	Bonus	Sitting Fees	Pension	Variable Pay	₹ in mn	
							Total	
Mr. Manish Gupta (Managing Director)	11.09	-	-	-	-	1.42	12.51	
Dr. Gautam Kumar Das (Joint Managing Director)	7.61	-	-	-	-	0.68	8.29	
Dr. Gopakumar G Nair (Independent Director)	-	-	-	0.53	-	-	0.53	
Mr. Kannan Ramanujam (Non-Executive Director)	-	-	-	0.38	-	-	0.38	
Dr. Kausalya Santhanam (Independent Director)	-	-	-	0.53	-	-	0.53	
Mr. Narendra Mairpady (Independent Director)	-	-	-	0.24	-	-	0.24	
Dr. S Devendra Kumar (Non-Executive Director)	-	-	-	0.10	-	-	0.10	
Mr. K E C Rajakumar (Non-Executive Director)	-	-	-	-	-	-	-	

Note: Mr. Manish Gupta and Dr. Gautam Kumar Das also received managerial remuneration of ₹ 8.84 Mio and ₹ 7.31 Mio respectively from Alivira Animal Health Limited, a wholly owned subsidiary of the Company for the year 2015-16.

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 and no severance fee paid to any whole time director.

As on March 31, 2016, the Company has granted 2,000,000 stock options to Mr. Manish Gupta out of which 625,000 stock options have vested on him of which 125,000 stock options have been exercised and 250,000 stock options have been granted to Dr. Gautam Kumar Das out of which 125,000 stock options have vested on him of which 125,000 stock options have been exercised.

During the year 2015-16, the non-executive directors did not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the meetings of Board and Audit Committee of the Company. The Company does not pay any remuneration to non-executive directors apart from sitting fee for attending the meetings of Board and Audit Committee of the Company. The Company pays ₹ 50,000/- for a meeting of Board of Directors per director and ₹ 20,000/- for a meeting of audit committee per member of the committee.

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 as entered with the Stock Exchange/ Regulations under the chairmanship of a Non-Executive 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.

As on date the Committee comprises of three Non-executive Independent Directors. The Committee is headed by Dr. Kausalya Santhanam, a Non-executive Independent Director of the Company.

During the year ended March 31, 2016, 4 (Four) Meetings were held. These meetings were held on April 24, 2015, July 30, 2015, October 29, 2015 and February 11, 2016.

Sl. No	Member	Chairperson/Member	No. of meetings held	No. of meetings attended
1.	Mr. Kannan Ramanujam*	Member	4	4
2.	Dr. Kausalya Santhanam	Chairperson	4	4
3.	Dr. Gopakumar G Nair	Member	4	4
4.	Mr. Narendra Mairpady**	Member	4	2

*Mr. Kannan Ramanujam ceased to be a Chairperson and member of the Stakeholders Relationship Committee pursuant to his resignation from the directorship of the Company with effect from the closing of business hours of February 11, 2016.

**Dr. Kausalya Santhanam was nominated as the Chairperson of the Stakeholders Relationship Committee with effect from February 11, 2016.

***Mr. Narendra Mairpady was inducted to the Stakeholders Relationship Committee as its member on August 1, 2015.

Mr. Preetham Hebbar, the Company Secretary of the Company 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

Type of Complaint	No. of shareholders' complaints received during the year	No. of Complaints not solved to the satisfaction of shareholders	No. of pending complaints
Non receipt of Dividend Warrants	-	-	-
Non receipt of Share Certificate	-	-	-
Non receipt of Annual Reports	1	-	-
Others	-	-	-
Total	1	-	-

All the complaints were solved to the satisfaction of the Shareholders.

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
2012-13	September 27, 2013 11.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra - 400 606	Re-appointment, re-designation and revision in remuneration of Dr. Gautam Kumar Das
2013-14	September 29, 2014 11.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra - 400 606	<ul style="list-style-type: none"> ■ Revision in remuneration of Dr. Gautam Kumar Das, Joint Managing Director ■ Borrowing Limits of the Company ■ Creation of Charge/ Security over the assets of the Company
2014-15	September 24, 2015 10.30 a.m.	Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra - 400 606	<ul style="list-style-type: none"> ■ To approve the related party transactions of the Company. ■ To approve the amendment to SSL ESOP Scheme-2010

Details of Extraordinary General Meetings of the Company held during the year ended March 31, 2016:

Date and Time	Venue	Special Resolutions passed
July 30, 2015 3.00 p.m.	Hotel "The HHI Select", 686, 15th Cross, Ring Road, 2nd Phase, J P Nagar, Bengaluru- 560 078	Approval for the issue of 3,585,413 equity shares on a preferential basis to promoter group entity and non-promoter group entity

Details of resolutions passed through Postal Ballot:

During the year ended March 31, 2016, the Company sought the approval of its members, through the postal ballot as mentioned below:

Date of Postal Ballot notice: October 29, 2015

Details of Voting Pattern:

Sl. No	Item	No. of Valid Votes Polled	Votes Cast	
			For	Against
1.	Ordinary Resolution to approve sub-division of equity shares of the Company	27,132,473	27,132,426 (representing 99.9998% of the total valid votes polled)	47 (representing 0.0002% of the total valid votes polled)
2.	Special Resolution to approve alteration of Capital Clause in the Memorandum of Association and Articles of Association of the Company.	27,132,395	27,131,880 (representing 99.998% of the total valid votes polled)	515 (representing 0.002% of the total valid votes polled)

Mr. Binoy Chacko, Practicing Company Secretary was appointed as Scrutinizer to conduct the postal ballot exercise.

The resolutions were passed on January 28, 2016.

The Company followed the procedure as provided in Section 110 of the Companies Act, 2013 and Rule 22 of Companies (Management and Administration) Rules, 2014.

As on date no resolution is proposed to be conducted through 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 28.2 to the financial statements in the Annual Report.

The Company has formulated policy for Related Party Transactions, Materiality of Related Party Transactions, Dealing with Related Party Transactions & Determination of Material Subsidiaries called as Sequent Scientific Limited - Policy on Related Party Transactions and the same is displayed on the website of the Company i.e. www.sequent.in (web link : http://sequent.in/pdf/policies/Sequent_Policy_on_Determination_of_Material_Subsidiaries.pdf)

- ii. The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India ("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. The Company is in compliance with all mandatory requirements of clause 49 of the listing agreement as entered with the Stock Exchange (till November 30, 2015) and Regulations (with effect from December 1, 2015) including Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Regulations.
- iv. The Company has appointed separate persons for the post of Chairman and Managing Director.
- v. The Company already has a regime of un-qualified financial statements.

- vi. The Company had appointed M/s. Grant Thornton India LLP, Chartered Accountants as internal auditors of the Company for the financial year 2015-16. 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.

- vii. Board of Directors at its meeting held on May 28, 2014 has approved the implementation of Whistle Blower Policy namely "Sequent Whistle Blower Policy" throughout the Company in order to curb the unethical or improper behavior/ 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. No person has been denied access to the Audit Committee under the policy.

- viii. During the year ended March 31, 2016, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

- ix. The Company appointed Dr. Gopakumar G Nair and Dr. Kausalya Santhanam as Independent Directors of the Company on the Board of Alvira Animal Health Limited, India, a material unlisted subsidiary as Independent Directors.

- x. The Board reviewed the members of the Board Meeting of Unlisted Subsidiaries and the Statement of all significant transactions and arrangements entered into by unlisted subsidiaries.

8. APPOINTMENT/ RE- APPOINTMENT OF DIRECTOR

Mr. Manish Gupta

Mr. Manish Gupta, Managing Director of the Company retires by rotation at this ensuing AGM and being eligible has offered himself for re-appointment at the AGM.

Mr. Manish Gupta who joined the Company as Chief Executive Officer on January 1, 2014 and joined the Board as Managing Director on November 12, 2014. Mr. Manish has over 22 years of experience in leading and managing business and performance enhancement across the USA, Europe and India. Prior to joining the Company, Manish was the CEO – Pharma of Strides Shasun Limited (formerly known as Strides Arcolab Limited), where he spearheaded the Pharma Operations. He also played a vital role in the sale of Australasian generics (Ascent) business and injectable (Agila) business of Strides.

As on March 31, 2016, Mr. Manish Gupta holds 130,000 shares of the Company and 1,875,000 outstanding stock options.

Mr. Manish Gupta does not hold directorships and committee memberships in other listed entities.

Mr. Manish Gupta is not related any other director of the Company.

Dr. S Devendra Kumar and Mr. KEC Rajakumar

The Board has appointed Dr. S Devendra Kumar and Mr. KEC Rajakumar as additional directors with effect from October 29, 2015 and February 11, 2016 respectively.

As per Section 161 of the Companies Act, 2013 (“the Act”), an Additional Director shall hold office up to the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier and his/ her appointment as a Director of the Company has to be approved by the members of the Company.

A proposal will be placed before the members of the Company at the ensuing Annual General Meeting for the appointments Dr. S Devendra Kumar and Mr. KEC Rajakumar as Directors of the Company.

Dr. S Devendra was a Whole Time Director in Shasun Pharmaceuticals Limited (“Shasun”). He is a graduate in medicine and is one of the key architects in developing Shasun and was instrumental in transforming Shasun from a domestic seller to export-oriented Company. He has gained a worldwide reputation for his knowledge in Marketing, Customer Satisfaction, Global Competition and Strategic Thinking. He has been mentoring and developing the marketing skills of Shasun.

Mr. Rajakumar has been a senior official in the Indian Civil Services and has served multiple roles including Commissioner of Income Tax, Regional Director of SEBI and Executive Director of UTI Mutual Fund. He is the founder and CEO of a very successful private Equity fund. Mr. Raja Kumar brings rich, varied professional experience to the table which will considerably add value to the strategic affairs of the Company.

Dr. S Devendra Kumar does not hold directorships and committee memberships in other listed entities and is not related to any other Director of the Company.

Details of directorships/ committee memberships of Mr. Rajakumar in other listed entities:

Sl. No.	Name of Company	Committee Membership
1	Consolidated Construction Consortium Limited	Audit Committee

Mr. Rajakumar is not related to any other Director of the Company.

Details of Shareholding of Non-Executive Directors

The details of shares held by Non-Executive Directors are as under:

Name	No. of shares held as at March 31, 2016
Dr. Gopakumar G Nair	116,740
Dr. Kausalya Santhanam	Nil
Mr. Narendra Mairpady	Nil
Dr. S Devendra Kumar	Nil
Mr. K E C Rajakumar	Nil

9. MEANS OF COMMUNICATION:

- The quarterly results are forthwith communicated to the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) as soon as they are approved and taken on record by the Board of Directors of the Company.
- The results are published in the newspapers namely The Business Standard (English), The Free Press Journal (English) and Nav-Shakti (Marathi).
- 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 exchanges (BSE & NSE) and also displayed on the website of the Company i.e. www.sequent.in.
- (e) The presentations made to analysts and investors are displayed on the website of the Company i.e. www.sequent.in.

10. GENERAL SHAREHOLDER INFORMATION:

AGM: Date, Time and Venue	Friday, September 23, 2016, 11.30 a.m. Hotel Satkar Residency Pokhran Road No. 01, Next to Cadbury Opp. Singhania High School Thane (W) - 400 606, Maharashtra
Financial Year	April 1, 2015 to March 31, 2016
Date of Book Closure	September 19, 2016 to September 23, 2016 (both days inclusive)
Dividend payment date	NA
Listing on Stock Exchanges	The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (w.e.f. March 10, 2016) Stock Code : BSE: 512529 NSE: SEQUENT ISIN : INE807F01027 The Company has paid listing fee for the year 2016 -17 to the Stock Exchanges and there are no outstanding payments from the Company.
Registrar & Transfer Agents	M/s. Adroit Corporate Services Private Limited 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 4227 0423 Email Address: pratapp@adroitcorporate.com
Share transfer system	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.
Address for correspondence	Mr. Preetham Hebbar Company Secretary Sequent Scientific Limited Corporate Office: 'Galaxy', Plot No. 30, 1st Main Road, J P Nagar 3rd Phase, Bengaluru - 560 078, Karnataka Phone No. +91 80 4657 0338 Email: Preetham.Hebbar@sequent.in

Market Price Data (High, Low during each month in financial year 2015-16 in BSE)

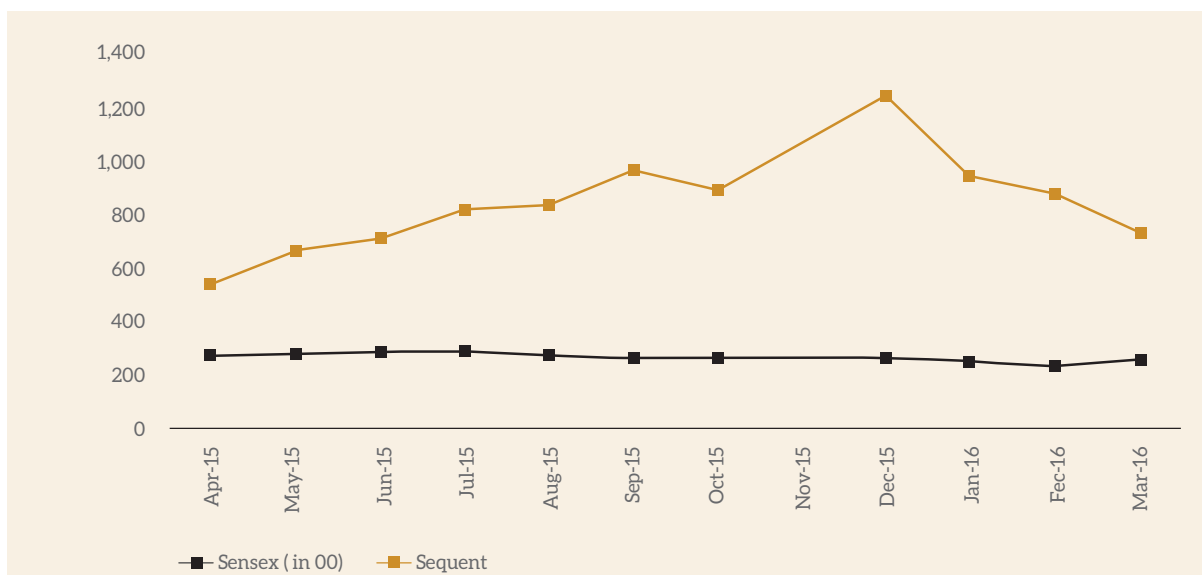
Month	High Price	Low Price
Apr-15	683.50	504.50
May-15	681.50	500.00
Jun-15	725.75	620.00
Jul-15	850.00	721.00
Aug-15	889.00	621.50
Sep-15	1,120.00	781.25
Oct-15	1,015.00	870.25
Nov-15	1,070.00	865.00
Dec-15	1,300.00	1,012.00
Jan-16	1,255.25	745.00
Feb-16	945.00	155.50*
Mar-16	184.98*	145.00*

* The equity shares of the Company was sub-divided from 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each w.e.f. February 26, 2016

Performance in comparison to SENSEX: Monthly closing price analysis

Month	High Price	Sequent
Apr-15	27,011.31	543.75
May-15	27,828.44	666.25
Jun-15	27,780.83	710.75
Jul-15	28,114.56	816.75
Aug-15	26,283.09	838.00
Sep-15	26,154.83	967.5
Oct-15	26,656.83	889.75
Nov-15	26,145.67	1,057.75
Dec-15	26,117.54	1,246.50
Jan-16	24,870.69	939.50
Feb-16	23,002.00	175.75*
Mar-16	25,341.86	146.40*

* The equity shares of the Company was sub-divided from 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each w.e.f. February 26, 2016

**Distribution Schedule as at March 31, 2016:**

Slab of Shareholding	No. of Shareholders	% to total number of Shareholders	Total No. of Shares	Amount (in ₹)	% to total paid up capital
1-500	3,287	63.73	583,309	1,166,618	0.25
501-1000	550	10.66	458,996	917,992	0.19
1001-2000	389	7.54	579,806	1,159,612	0.24
2001-3000	264	5.12	667,951	1,335,902	0.28
3001-4000	87	1.69	313,258	626,516	0.13
4001-5000	124	2.40	595,169	1,190,338	0.25
5001-10000	178	3.45	1,371,249	2,742,498	0.58
10001 & above	279	5.41	233,666,457	467,332,914	98.08
Total	5,158	100.00	238,236,195	476,472,390	100.00

Bifurcation of shares held in physical and demat as at March 31, 2016:

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	5,152	99.88	238,184,890	476,369,780	99.98
Shares held in physical mode	6	0.12	51,305	102,610	0.02
Total	5,158	100.00	238,236,195	476,472,390	100.00

Shareholding pattern of Equity Shares as at March 31, 2016:

Category	Number of shareholders	Number of shares held	% to total paid up capital
Promoters & Promoter Group Companies	18	134,002,830	56.25
Bodies Corporate	217	20,921,114	8.78
Banks / Mutual Funds/ Financial Institutions (FIs)	11	11,497,385	4.83
Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors	22	39,289,085	16.49
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	112	5,575,564	2.34
Resident Individuals	4,744	24,001,707	10.07
Directors (Excluding promoter directors) & their relatives	3	369,240	0.15
Trusts	1	2,320,000	0.97
Others	30	259,270	0.11
Total	5,158	238,236,195	100

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., M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services (India) Limited (CDSL) through M/s. Adroit Corporate Services Private Limited, Registrars and Share Transfer Agents. As on March 31, 2016, 238,184,890 shares representing 99.98% 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 5,500,000. 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
2015-16	April 11, 2015	Pronomz Ventures LLP	5,500,000	95	-	5,500,000

The Company had issued 1,100,000 convertible warrants which can be converted into equivalent number of equity shares of the Company having face value of ₹ 10 each. Pursuant to sub-division of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each on February 26, 2016, the outstanding warrants have been adjusted proportionately.

ESOPs:

Our Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010" ("ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines"), pursuant to a special resolution passed by the shareholders of the Company on March 25, 2008 and further modified by the Board in its

meetings held on January 27, 2010 and May 28, 2014.

The purpose of ESOP 2010 was to provide the employees with an additional incentive in the form of options to receive the equity shares of the Company at a future date. The ESOP is aimed to reward employees of our Company for their continuous hard work, dedication and support. The main objective of the ESOP Scheme is to recognise employees who are performing well, a certain minimum opportunity to gain from our Company's performance thereby acting as a retention tool and to attract best talent available in the market.

Under ESOP 2010, our Company has issued and allotted 700,000 Equity Shares of ₹ 10 each at a

price of ₹113 per Equity Share (prior to sub-division of 1 equity share of ₹ 10 each to 5 equity shares of ₹ 2 each) to Sequent Scientific Employee Stock Option Plan Trust, an independent ESOP trust. On exercise of the options by the option grantee, the trust transfers the Equity Shares to the eligible employee, in accordance with directions and recommendations of the Nomination & Remuneration / Compensation Committee.

Details with respect to employee stock options under the ESOP 2010 as at March 31, 2016 are provided in the table below:

Sl. No.	Particulars	Number of Equity Shares/ Options (after considering the sub-division of equity shares)
1.	Total number of options outstanding at the beginning of the year	3,862,500
2.	Total number of options granted under ESOP 2010 during the Year	500,000
3.	Options vested during the year	1,062,500
4.	Options exercised during the year	592,500
5.	Options lapsed or forfeited during the year	225,000
6.	Total number of options outstanding at the end of the year	3,545,000
7.	Total number of options available for grant	4,775,000

As at March 31, 2016 the Company has no outstanding ADRs and GDRs.

Plant Locations

1.	Plot Nos. 120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore
2.	Plot Nos. B-32, G-2, G-3, MIDC, Mahad, Dist. Raigad, Maharashtra
3.	Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore, Karnataka
4.	Plot Nos. 136, 137, 138, 139, 140, 141, 150, 151 & W-152, MIDC, Tarapur, Boisar, Dist Thane, Maharashtra.
5.	Plot Nos. 7 & 8, MIDC Engineering Zone, Kalyan Badlapur Road, Ambernath, Maharashtra

11. 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 year 2015 - 16.

A declaration to this effect signed by Mr. Manish Gupta, Managing Director is reproduced below:

"I confirm that the Company has in respect of the year ended March 31, 2016, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the Code of Conduct."

Manish Gupta
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE**To the Members of
SEQUENT SCIENTIFIC LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by SEQUENT SCIENTIFIC LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
 - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We 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)

Place: Bengaluru
Date: August 12, 2016