



**Registered Office:** No. 116, Vardhaman Industrial Complex, L B S Marg, Thane (W) – 400 601

**Corporate Office:** Star II, OPP: IIM-B, Bilekahalli, Bannerghatta Road, Bangalore 560 076

## NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of SEQUENT SCIENTIFIC LIMITED will be held on Wednesday, the 26th day of September 2012 at Hotel Fortune Park Lake City (Jupiter Hospital Compound), Eastern Express Highway, Thane (W) 400 601 at 11.30 A.M to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and to adopt the Audited Balance Sheet of the Company as at 31st March 2012 and Profit & loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kannan Ramanujam, who retires by rotation and being eligible offers himself for re-appointment.
3. To Re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following as a Special Resolution:  
RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions in the Memorandum & Articles of Association of the Company and the listing agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to approval, consent, permission, and/or sanction of any other authorities/ institutions and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, sanction and which may be agreed to by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to create, offer, issue, allot and deliver in one or more tranches up to 2,100,000 warrants on a preferential basis to Promoters/ Promoter Group entitling the holder of each warrant to apply for and obtain allotment of

one equity share against each warrant (hereinafter referred to as 'Warrants'), in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) ("ICDR") Regulations, 2009 (SEBI (ICDR) Regulations) (including any amendments thereto or re-enactment thereof) or other provisions of law as may be prevailing at the time, provided that the price (inclusive of premium) of the Warrant so issued shall not be less than the minimum price arrived at in accordance with the provisions of Chapter VII Of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of warrants in accordance with the SEBI (ICDR) Regulations, would be August 27, 2012 being the date 30 days prior to the date of passing of this resolution.

RESOLVED FURTHER THAT the resultant equity shares to be allotted on conversion of warrants in terms of this resolution shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid warrants and listing thereof with the Stock Exchanges(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board at its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any other Directors/ Executives of the Company to give effect to the aforesaid resolution.

5. To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, including schedule XIII to the Companies Act, 1956 the remuneration of Dr. Gautam Kumar Das, Executive Director be revised and increased to Rs. 1,06,30,000 p. a w.e.f 1st April 2012 subject to such approvals including that of the Central Government, if any, as may be required under the applicable law.

RESOLVED FURTHER THAT apart from the above said remuneration Dr. Das shall also be entitled for the following perquisites subject to that the total cost towards the same shall not exceed Rs. 10,00,000/- p.a

- Company Accommodation
- Personal Travel
- Car with chauffer

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary are be and hereby authorized to do all such acts, deeds, matters and things necessary to carry on the terms of this resolution.

By order of the Board of Directors  
For **SeQuent Scientific Limited**

Place: Bangalore  
Date: August 30, 2012

**Vinayak Hegde**  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of members and Share Transfer books of the Company shall remain closed from 24th September 2012 to 26th September 2012 (both days inclusive)
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the businesses of this notice is annexed hereto.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

##### Item No. 4

To augment the long term resources of the Company, for meeting the funding requirements and for general corporate purposes, it is proposed to issue, on preferential basis to the promoters and/or entity/entities of the promoter group of the Company, in accordance with the Regulations for Preferential Issues' contained in Chapter VII of the SEBI (ICDR) Regulations, upto 2,100,000 warrants, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company.

A copy of the Certificate of the Statutory Auditors of the Company certifying adherence to the SEBI's guidelines for Preferential Issues, for the proposed issue shall be laid before the shareholders.

##### The information as required under SEBI (ICDR) Regulations, are as under:

- (i) **Objects of the Issue:** To augment the long term resources of the Company for meeting the funding requirements and for general corporate purposes.
- (ii) **Proposal of promoters/ directors/ key management persons to subscribe to the preferential issue:** Agnus Capital LLP and Chayadeep Ventures LLP, Promoter Group Entities has intended to subscribe to the Warrants proposed to be issued. The existing promoters and management team will continue to remain in the management of the Company. Further, the composition of the present Board of Directors is not expected to undergo any change.

## (iii) Shareholding pattern before and after the preferential issue:

Category of Shareholder	Pre-issue shareholding		Post-issue shareholding	
	Shares	%	Shares	%
<b>A PROMOTERS GROUP</b>				
1 Promoter and Promoter Group	12,434,511	56.59	14,534,511	60.47
2 Persons acting in concert	-	-	-	-
<b>Sub Total (A)</b>	<b>12,434,511</b>	<b>56.59</b>	<b>14,534,511</b>	<b>60.47</b>
<b>B NON PROMOTER GROUP</b>				
<b>1 Institutions</b>				
a. Mutual Funds & UTI	-	-	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	-	-	-	-
c. FII	41,000	0.19	41,000	0.17
<b>Sub Total (B1)</b>	<b>41,000</b>	<b>0.19</b>	<b>41,000</b>	<b>0.17</b>
<b>2 Non-institutions</b>				
a. Bodies Corporate	980,931	4.47	980,931	4.08
b. NRI/ Foreign Companies	5,035,303	22.96	5,035,303	20.95
c. Foreign Nationals	-	-	-	-
d. Indian Public/Others	3,443,446	15.70	3,443,446	14.33
e. Shares held by Custodians against which Depository Receipts have been issued	-	-	-	-
<b>Sub Total (B2)</b>	<b>9,500,680</b>	<b>43.31</b>	<b>9,500,680</b>	<b>39.53</b>
<b>GRAND TOTAL</b>	<b>21,935,191</b>	<b>100.00</b>	<b>24,035,191</b>	<b>100.00</b>

**Note:** The above shareholding pattern has been arrived on the assumption that all the 2,100,000 warrants would be converted into equity Shares.

- (iv) **Proposed time within which the preferential issue shall be complete:** The Company proposes to complete the preferential issue on or before the fifteenth day from the date of passing of this resolution or on or before the fifteenth day from the date of receipt of any approval for such allotment from any regulatory authority or the Central Government, whichever is later, as per SEBI Regulations, as amended.
- (v) **Identity of the proposed allottees and % of post preferential issue capital that may be held by them:**

Sl. No.	Name of the Allottees	Pre Allotment		Post Allotment	
		Shares	%	Shares	%
1	Agnus Capital LLP	NIL	NIL	1,050,000	4.37%
2	Chayadeep Ventures LLP	NIL	NIL	1,050,000	4.37%
<b>Total</b>		<b>NIL</b>	<b>NIL</b>	<b>2,100,000</b>	<b>8.74%</b>

There will be no change in control of the Company consequent to the Preferential Issue.

- (vi) **Issue price:** The warrants will be issued at a price (including premium) not lower than the minimum price as stipulated in chapter 7 of SEBI (ICDR) Regulations.
- (vii) **Relevant Date:** "Relevant Date" in relation to the issue of warrants in accordance with the SEBI (ICDR) Regulations, 2009 would be August 27, 2012 being the date 30 days prior to the date of passing of this resolution.
- (viii) **Others terms of issue of warrants:** An amount equivalent to at least 25% of the issue price shall be payable on subscription to the warrants. The warrant holders shall be entitled to apply for and be allotted, in one or more tranches, one equity share of the face value of Rs.10/- each of the Company per warrant, any time after the date of

allotment of warrants but on or before the expiry of 18 months from the date of allotment of such warrants. Upon exercise of the rights to apply for equity shares, the warrant holders will be liable to make the payment of the balance amount of the issue price. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price, shall allot one equity share per warrant. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited. The warrants under this preferential offer and resultant equity shares issued upon exercise of entitlements against such warrants shall be subject to lock-in for a period of 3 years from their respective date of allotment, in accordance with the provisions of the SEBI (ICDR) Regulations, 2009 (including any amendments thereto or reenactment thereof). The equity shares arising out of conversion of warrants pursuant to the Resolution shall rank pari passu in all respects with the then existing equity shares of the Company.

**The Company hereby undertakes that:**

- a) It would re-compute the price of the securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 where it is required to do so.
- b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, etc. such further shares shall be offered to the existing shareholders of the Company in the manner laid down in section 81, unless the shareholders decide otherwise by passing a special resolution.

The Board recommends the resolution for approval of the shareholders.

None of the Directors except Mr. K.R Ravishankar, Director is concerned or interested in this resolution.

**Item No. 5:**

Dr. Gautam Kumar Das is serving as an Executive Director on the Board since January 7, 2010. His current salary was Rs. 96,30,000 (Rupees Ninety Six Lakhs Thirty thousand only). Dr. Das was also perks by way of company accommodation, personal travel and car with chauffeur facility with an upper limit of Rs. 10,00,000 (Rupees Ten lakhs only).

At the Remuneration Committee and the Board Meeting of the Company held on 14th August 2012 the Board of Directors revised the remuneration of Dr. Das w.e.f 1st April 2012 as under subject to the approval of the Members and such other approval as may be required Annual salary of Rs. 1,06,30,000 (Rupees One Crore Six Lakh thirty thousand only) and perks with a maximum limit of Rs. 10,00,000 p.a. towards Company Accommodation, Personal Travel and car with Chauffeur Information as required under Schedule XIII of the Companies Act, 1956 is given below:

**I. General Information:**

1. Nature of Industry : Pharmaceutical
2. Date or expected date of commencement of commercial production : Not Applicable (The Company is existing entity)
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
4. Financial Performance Based on given indicators

(` In Million)

Particulars	2011-12	2010-11	2009-10
Total Revenue	3,438	2,894	2,536
Total Expenses	3,463	2,682	2,175
Profit/(Loss) after tax	15	159	208
Dividend Rate	NIL	15%	20%

5. Export performance and net foreign exchange collaborations:

Foreign exchange earnings of the Company 1381.65 million as against the foreign exchange out go of 1042.96 millions.

6. Foreign investments or collaborators, if any:

The Company is listed in Bombay Stock Exchanges Limited. As on June 30, 2012 the

foreign holdings in the Company is 23.14 % of the Total Paid up capital of the Company

## II. Information about the Appointee

### 1. Background Details

Dr. Gautam Kumar Das is an Executive Director on the Board and has over thirty 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. In his immediate previous assignment, Dr. Das was with Orchid Chemicals & Pharmaceuticals Ltd., Chennai as President – API.

Dr. Das expertise in managing the operations of the Company and his understanding of the Pharmaceutical Industry has contributed significantly to the growth of the Company.

### 2. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Dr. Das has pecuniary relationship with the Company in his capacity as a Whole Time Director. He is not related to any of the managerial personnel in the Company.

### 3. Remuneration Proposed As stipulated in the resolution

### 4. Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person

Dr. Das's technical expertise has helped the Company strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and Overseas markets. Dr. Das's skill set and experience places him in a correspondingly equal position to major pharmaceutical companies in India. Considering the general industry and the specific

Company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

## III. Other Information

Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

During the financial year 2011-2012 the Company had a turnover of Rs.3,438 Million against Rs. 2,894 Million, a growth of over 18%. But the net profit was down to Rs. 15 Million against Rs.159 Million. The profitability was affected due to increase in inputs costs, competition in key segments, rupee devaluation and increased borrowings costs. The delay in obtaining regulatory approvals also resulted in deferred timelines and low capacity build up. An unfortunate fire accident at our Tarapur facility also impaired production in the second half of 2011-12.

The Company is taking all necessary steps including improving product portfolio, improved capacity utilization as well as continued reduction in costs. The Company is also partnering with new clients, offering customized high quality products and strengthening all areas of operations to further fortify the tough phase. A strong foundation is being laid for sustained growth.

## IV. Disclosures

The proposed remuneration package – as detailed in the resolution

This explanatory statement together with the accompanying notice may be treated as an abstract under section 302 of the companies act, 1956. The board recommends the passing of the proposed resolution as special resolution and requests your approval for the same.

None of the Directors except Dr. Gautam Kumar Das, Director is concerned or interested in this resolution.

By order of the Board of Directors  
For **SeQuent Scientific Limited**

Place: Bangalore  
Date: August 30, 2012

**Vinayak Hegde**  
Company Secretary



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**ATTENDANCE SLIP**

Regd. Folio No. / Client ID : .....

Name & Address of First/Sole Shareholder : .....

No. of Shares held : .....

I hereby record my presence at the 27th Annual General Meeting of the Company to be held on Wednesday, the 26th day of September 2012 at 11.30 A.M at Hotel Fortune Park Lake City (Jupiter Hospital Compound), Eastern Express Highway, Thane (W) 400 601.

.....  
Signature of the Member/Proxy

**Notes:**

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
- b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed
- c) Member / Proxy should bring his / her copy of the Annual Report for reference at the meeting

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**PROXY FORM**

Regd. Folio No. / Client ID : .....

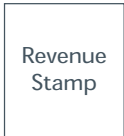
Name & Address of First/Sole Shareholder : .....

No. of Shares held : .....

I / We ..... of .....  
..... being a member / members of the above named Company, hereby appoint  
..... of or failing him / her .....

..... of..... as  
my / our Proxy to attend and vote for me / us on my / our behalf at the 27th Annual General Meeting of the Company to be held on Wednesday, the 26th day of September 2012 at 11.30 A.M at Hotel Fortune Park Lake City (Jupiter Hospital Compound), Eastern Express Highway, Thane (W) 400 601, and at any adjournment(s) thereof.

Signed this ..... day of ..... 2012



**Notes:**

- a) Proxy need not be a member of the Company
- b) The Proxy form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Registered Office: 116, Vardhaman Industrial Complex, L.B.S. Marg, Thane (W) 400 601 at least 48 hours before the time fixed for the meeting.
- c) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

