

## SeQuent Scientific Limited

Registered Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No.22, Wagle Industrial Estate, Thane (W), Maharashtra - 400 604  
Corporate Office: Star II, OPP: IIM-B, Bilekahalli, Bannerghatta Road, Bangalore - 560 076

## NOTICE

is hereby given that the Twenty Eighth Annual general Meeting of the members of Sequent Scientific Limited will be held on Friday, September 27, 2013 at Hotel Satkar Residency, Pokhran Road No. 01, Next to Cadbury, Opp. Singhania High School, Thane (W), Maharashtra - 400 606 at 11.30 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Audited 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 Dr. Gopakumar G Nair, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.: 0080725) as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors or any committee of the Board to fix their remuneration.

### SPECIAL BUSINESS:

4. 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 Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the members be and is hereby accorded for the re-appointment of Dr. Gautam Kumar Das as an Executive Director of the Company for a further period of three years with effect from January 7, 2013.

RESOLVED FURTHER that Dr. Gautam Kumar Das's remuneration for the period upto March 31, 2013 shall remain unchanged and will be as approved by the members at the Annual General Meeting held on September 26, 2012.

RESOLVED FURTHER that the approval of the members be and is hereby accorded for the re-designation of Dr. Gautam Kumar Das as a Joint Managing Director with effect from May 30, 2013.

RESOLVED FURTHER that pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII of the said Act, including any statutory modifications and re-enactments thereof, the approval of the members be and is hereby accorded to revise the remuneration of Dr. Das with effect from April 1, 2013 as stated hereunder:

- Salary of Rs. 11,630,000.00 p.a.
- Perquisites namely company accommodation, personal travel and car with chauffeur subject to a maximum amount of Rs. 1,000,000 p.a.
- Performance incentive/ Bonus for the financial year 2013-14 as may be recommended/ approved by the Remuneration Committee/ Board Directors, subject to a maximum of Rs. 1,800,000.00

RESOLVED FURTHER that Dr. Gautam Kumar Das shall be eligible for annual increment on salary and performance incentive/ bonus, if recommended/ approved by the Remuneration Committee/ Board of Directors.

RESOLVED FURTHER that in any year the Company has no profits or inadequate profits during the tenure of appointment, the then prevailing remuneration as approved by the remuneration Committee/ Board of Directors for that year, shall be treated as minimum remuneration payable and the Company shall make necessary applications to Central Government, if required.

RESOLVED FURTHER that the Board of Directors and the Remuneration Committee of the company is 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**

**Preetham Hebbar**  
Company Secretary

Place: Bangalore  
Date: August 14, 2013

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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 September 25, 2013 to September 27, 2013 (both days inclusive).
3. Members are requested to kindly bring the attendance slip duly filled and signed and handover the same at the entrance of the meeting.
4. The Ministry of Corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively as part of the Green Initiative in Corporate Governance, has allowed companies to send official documents to their shareholders electronically. In support to the Green Initiative in the Corporate Governance, the Company has decided to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, and Auditors' Report etc. to the email address registered by the shareholders with their depositories. We request shareholders to update their email address with their depository participant to ensure that the annual report and other documents reach them on their

preferred email address. Shareholders holding shares in physical form may intimate us their e-mail address along with name, address and folio no. for registration at investors@sequent.in. Shareholders may obtain the physical copies of these documents by writing to the Company Secretary at the registered office of the Company.

### Explanatory Statement (as required under Section 173(2) of the Companies Act, 1956)

#### Item No. 4:

Dr. Gautam Kumar Das is on the Board as an Executive Director since January 7, 2010. Members of the Company had approved the appointment of Dr. Guatam Kumar Das as an Executive Director on May 24, 2010 through postal ballot for a period of 3 years with effect from January 7, 2010. The Remuneration Committee and the Board of Directors of the Company on January 4, 2013 have approved the re-appointment of Dr. Das for a further period of 3 years with effect from January 7, 2013 and on May 30, 2013 approved the revision in remuneration of Dr. Das which is effective from April 1, 2013 as stated in the resolution. The re-appointment and revision in remuneration are subject to

the approval of members. The Board also approved the re-designation of Dr. Guatam Kumar Das as a Joint Managing Director at their meeting held on May 30, 2013 which is effective from May 30, 2013.

Members' approval is sought for the re-appointment of Dr. Gautam Kumar Das as an Executive Director of the Company effective January 7, 2013, for the change in designation effective May 30, 2013 and also for revision in his remuneration effective April 1, 2013.

In terms of Schedule XIII of the Companies Act, 1956, if in any financial year the company has no profits or the profits are inadequate, during the currency of tenure of the managerial personnel, the approval of the members is required for paying remuneration in excess of the limits as prescribed in the said schedule. Members approval is sought for paying the then prevailing remuneration as minimum remuneration, if it's in excess of limits prescribed under the said schedule to Dr. Gautam Kumar Das, if the Company has no profits or the profits are inadequate.

Information as required under Schedule XIII of the Companies Act, 1956 and Clause 49 (IV)(G) of the Listing Agreement is given below:

#### I. GENERAL INFORMATION:

1. Nature of Industry : Pharmaceutical
2. Date or expected date of commencement of commercial production : July 5, 1985
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:

Particulars	2012-13	2011-12	2010-11
Total Revenue	3,165.40	3,437.57	2,894.00
Total Expenses	3,793.51	3,462.53	2,682.00
Profit/(Loss) after tax	(545.01)	14.63	159.00
Dividend Rate	Nil	Nil	15%

5. Export performance and net foreign exchange collaborations:  
As at March 31, 2013 foreign exchange earnings of the Company is Rs. 1345.01 million as against the foreign exchange outgo of Rs. 923.20 million.
6. Foreign investments or collaborators, if any:  
As on June 30, 2013 the foreign holdings in the Company is 21.23 % of the Total Paid up capital of the Company. The Company does not have any foreign collaboration.

#### 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, he 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. Past Remuneration

For the financial year 2012-13, the Company paid a remuneration of Rs. 10,630,000.00 p.a. (Rupees One Crore Six Lakh Thirty Thousand only) and perquisites with a maximum limit of Rs. 1,000,000 p.a. (Rupees Ten Lakhs) towards company accommodation, personal travel and car with chauffeur.

3. 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 as any other director in the Company.

**4. Remuneration Proposed:**

Salary of Rs. 11,630,000.00 p.a.

Perquisites namely company accommodation, personal travel and car with chauffeur subject to a maximum amount of Rs. 1,000,000 p.a.

Performance incentive/ Bonus for the financial year 2013-14 as may be recommended /approved by the Remuneration Committee / Board Directors, subject to a maximum of Rs. 1,800,000.00.

Dr. Gautam Kumar Das shall also be eligible for annual increment every year as may be recommended / approved by the Remuneration Committee / Board of Directors.

5. 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**

**1. 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 2012-13 the Company had a turnover of Rs.3165.40 Mio against Rs. 3437.57 Mio in the year 2011-12. Net loss of the Company for the year was Rs. 545.01 Mio.

The Company faced a decline in its revenue due to various factors. The increase in the input cost, rising competition in key segments, rupee devaluation and increase in the cost of borrowings affected the revenue and the profitability of the Company. The delay in obtaining regulatory approvals also resulted in deferred timelines and low capacity build up.

**2. Steps taken or proposed to be taken for improvement:**

The Company is taking all necessary steps including improving product portfolio, expansion of present capacities, 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.

**3. Expected increase in productivity and profits in measurable terms:**

The above measures will help the Company to build a strong foundation for sustained growth and expected to improve the performance of the Company in terms of increased revenue, better productivity and profitability.

**IV. DISCLOSURES**

**1. The proposed remuneration package of managerial personnel –**

The proposed remuneration package of the managerial personnel is given in detail in the resolution.

**2. The disclosures relating to the remuneration package of the managerial personnel made under the Section 'Corporate Governance Report' in the Annual Report.**

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

Sl. No	Name of the Company	Committee Membership
1.	Sequent Anti Biotics Private Limited	-
2.	Sequent Oncolytics Private Limited	-

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 this resolution for your approval.

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

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

**Preetham Hebbar**  
Company Secretary