

# SeQuent Scientific Limited

CIN : L99999MH1985PLC036685

Regd. Office: 301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,  
Wagle Industrial Estate, Thane (W), Maharashtra - 400 604

Corp. Office: Star I, Opp. IIM-B, Bilekahalli, Bannerghatta Road, Bangalore - 560 076

Website: www.sequent.in | Email : info@sequent.in

Tel.: +91 22 4111 4777 Fax : +91 22 4111 4754

# Sequent

Proven Ability in Life Science

Dear Member(s),

## Notice pursuant to Section 110 of the Companies Act, 2013 :

Pursuant to Section 110 of the Companies Act, 2013 ("the Act") and Rule 22 of Companies (Management and Administration) Rules, 2014, notice for seeking approval of the members of the Company for the following resolutions along with the explanatory statement and postal ballot form is being sent to you:

1. Special resolution pursuant to Section 180 (1) (a) of the Act for the slump sale of Company's Veterinary Formulations Division along with all related assets and liabilities ("Veterinary Formulations Division") of the Company to Alivira Animal Health Limited, a Joint Venture between the Company and Shasun Pharmaceuticals Limited.
2. Special Resolution to confirm and ratify the Corporate Guarantee given by the Company to EXIM Bank for the loan obtained by Alivira Animal Health Limited.
3. Special resolution to approve the amendment to Sequent Scientific Limited Employee Stock Option Plan - 2010.
4. Special Resolution to grant employee stock options to Mr. Manish Gupta, Chief Executive Officer.
5. Special Resolution to increase the authorized capital of the Company and to amend the capital clauses of Memorandum of Association and Articles of Association thereof.
6. Special Resolution to approve the raising of funds upto Rs. 400 Crore by way of a public issue, qualified institutional placement or a combination thereof.
7. Special Resolution to permit FIIs / QFIs / FPIs to invest in the equity shares of the Company by purchase or acquisition from the market under the Portfolio Investment Scheme prescribed under FEMA upto 49% of the paid up capital of the Company.

The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on June 20, 2014.

The Company has appointed Mr. Binoy Chacko, Company Secretary in whole time practice, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed, in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours on August 1, 2014.

The Company is pleased to offer e-Voting facility as an alternate for the members of the Company to enable them to cast their votes electronically instead of dispatching physical postal ballot forms. Members may choose to vote using the e-Voting facility, the details whereof are specified under instructions to the Postal Ballot Form. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-Voting facilities.

The Scrutinizer will submit his report after completion of the scrutiny and the results of the Postal Ballot will be announced on August 2, 2014 and displayed at the Registered Office and the Corporate Office of the Company.

The results will be communicated to the Bombay Stock Exchange and also displayed on the Company's website www.sequent.in.

## Resolution No. 1 :

### To approve the slump sale of Company's Veterinary Formulations Division

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 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act, 2013 read with the relevant Rules thereof, (including any statutory modification or re-enactment thereof for the time being in force) and the Memorandum and Articles of Association of the Company and subject to compliance of all applicable laws and regulations and such permissions, approvals, consents and sanctions as may be necessary from the concerned/ statutory authorities and subject to such other terms and conditions as may be imposed by them, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee of directors constituted and authorized for purposes mentioned hereof), to sell/ transfer the Veterinary Formulations Division including the manufacturing facility located at Additional Ambarnath, along with all related assets and liabilities including but not limited to employees, contracts, licenses, permits, consents and approvals of the Company as a "going concern" by means of a slump sale (as defined in Section 2 (42C) of the Income Tax Act, 1961) to Alivira Animal Health Limited, a Joint Venture between the Company and Shasun Pharmaceuticals Limited for a lump sum consideration of Rs. 300,000,000/- (Rupees Thirty Crore Only) subject to adjustment of net working capital position calculated on the date of transfer ("Business Transfer"), subject to any variation of consideration as the Board may finalize, to be discharged by way of cash or in any other mode as the Board may finalize, and on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER that the Board be and is hereby authorized to finalize the terms and conditions without further referring the matter to the Members of the Company, as well as the means, methods or modes in respect thereof and to finalize and execute all required documents including agreements, memoranda, deeds of assignment/ conveyance and other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company, including to seek registration of any such documents, deeds as may be necessary, filing intimations, applying for and / or on behalf of the Company and seeking approvals/consents of necessary parties, including without limitation regulatory authorities, for giving effect to this resolution and that the Board shall also have the power and authority to delegate all or any of its powers conferred herein as it may deem fit to give effect to this Resolution.

#### **Resolution No. 2:**

##### **To confirm and ratify the Corporate Guarantee given by the Company to EXIM Bank for the loan obtained by Alivira Animal Health Limited**

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 186 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the erstwhile section 372A of the Companies Act, 1956, the Corporate Guarantee given by the Board of Directors of the Company at its meeting held on March 19, 2014 in favor of Export-Import Bank of India ("Exim Bank") for an amount of Rs. 91.25 Crore (Rupees Ninety One Crore Twenty Five Lakh Only) together with interest, other monies, charge(s) and other expenses payable on the Loan of Rs. 125 Crore (Rupees One Hundred and Twenty Five Crore Only) given to Alivira Animal Health Limited, a Joint Venture between the Company and Shasun Pharmaceuticals Limited notwithstanding that such guarantee together with loans and guarantees given, investments made, securities provided in excess of the limits prescribed under Section 186(2) of the Companies Act, 2013, be and is hereby confirmed and ratified.

#### **Resolution No. 3:**

##### **To approve amendment to Sequent Scientific Limited Employee Stock Option Plan – 2010**

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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") as amended from time to time and subject to such other approval, consent, permission and sanction of the appropriate authorities, institutions or bodies, including the Stock Exchanges on which the securities of the Company are listed, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, consent, permission and sanction which may be agreed to by the board of directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committees thereof), consent of the members be and is hereby accorded to replace the paragraph 4 of Clause 4 of Sequent Scientific Limited Employee Stock Option Plan 2010 ("Sequent 2010") as under:

- *Aggregate number of options to be issued under the scheme shall not exceed 7% of the paid-up capital as on date of grant of options. No employee shall be entitled to more than 500,000 options in a financial year. However the total options to be granted per employee in any case in a financial year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option unless authorized by the members through a special resolution.*

RESOLVED FURTHER that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in Sequent 2010, which is not detrimental to the interest of employees and to settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI Guidelines and other applicable laws, if any.

RESOLVED FURTHER that any of directors of the Company and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as it may be necessary or desirable to give effect to the above Resolution.

#### **Resolution No. 4:**

##### **To approve the grant of ESOPs to Mr. Manish Gupta, Chief Executive Officer under Sequent Scientific Limited Employee Stock Option Plan – 2010**

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 the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") as amended from time to time, the provisions of Sequent Scientific Limited Employee Stock Option Plan – 2010, the Articles of Association and subject to such other approval, consent, permission and sanction of the appropriate authorities, institutions or bodies, including the Stock Exchanges on which the securities of the Company are listed, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, consent, permission and sanction which may be agreed to by the board of directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committees thereof), consent of the members of the Company be and is hereby accorded for approving the grant of 400,000 Employee Stock Options in the financial year convertible into 400,000 Equity Shares of the Company of Rs.10 each on exercise, which is in excess of 1% of the issued capital of the Company to Mr. Manish Gupta, Chief Executive Officer of the Company.

RESOLVED FURTHER that any of directors of the Company and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as it may be necessary or desirable to give effect to the above Resolution.

**Resolution No. 5 :****To increase the authorized capital of the Company and to amend the capital clauses of Memorandum of Association and Articles of Association thereof**

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

RESOLVED that pursuant to Section 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be increased from Rs. 400,000,000/- (Rupees Forty Crore) divided into 40,000,000 (Four Crore) equity shares of Rs. 10/- each to Rs. 500,000,000/- (Rupees Fifty Crore) divided into 50,000,000 (Five Crore) equity shares of Rs. 10/- each.

RESOLVED FURTHER that pursuant to Section 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) the existing Clause V of Memorandum of Association of the Company be and is hereby substituted as follows:

"The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crore Only) divided into 50,000,000 (Five Crore) equity shares of Rs. 10/- (Rupees Ten Only) each with power to increase and/ reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations."

RESOLVED FURTHER that pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Article No. 5 of the Articles of Association of the Company be and is hereby substituted as follows:

"The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crore Only) divided into 50,000,000 (Five Crore) equity shares of Rs. 10/- (Rupees Ten Only) each.

The Company has power from time to time to increase or to reduce its capital. Any of the said shares and any new shares thereafter to be created may from time to time be divided into shares of several classes in such manner as may be provided hereinafter and the company may allow and so that the shares of each class may have or confer such preferred or other special rights and privileges as may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under the provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with sanction as is provided for hereafter."

**Resolution No. 6 :****To approve the raising of funds upto Rs. 400 Crore by way of a public issue, qualified institutional placement or a combination thereof.**

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 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the Act), if any and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the Companies Act, 1956, if any, the Foreign Exchange Management Act, 1999 as amended ("FEMA"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"), Listing Agreements as entered into by the Company with the Stock Exchange where the shares of the Company is listed, enabling provisions in the Memorandum and Articles of Association of the Company and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended ("FCCB Scheme"), Rules, Regulations, Guidelines, Notifications and Circulars, if any, prescribed by the Government of India, Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Foreign Investment Promotion Board ("FIPB") or any other competent authority, whether in India or abroad, from time to time, to the extent applicable and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), is hereby authorized on behalf of the Company, to offer, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Non Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Individuals or otherwise, whether members of the Company or not, by way of a public issue, qualified institutional placement or a combination thereof, Equity Shares of Rs. 10/- of the Company ("Equity Share") and / or Foreign Currency Convertible Bonds ("FCCB") and/or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Bonds with share warrants attached and/or Fully Convertible Debentures ("FCDs") and / or Partly Convertible Debentures ("PCDs") and / or Non-convertible Debentures ("NCDs") and / or Preference Shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as "Securities") or any combination of Securities, through one or more tranches, through one or more prospectus and / or letter of offer or circular and / or on private placement basis, at such time or times, at such price or prices, and on such terms and conditions as the Board may determine, so that the total amount raised through issue of the Securities shall not exceed Rs. 4,000,000,000/- (Rupees Four Hundred Crore), where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies / Advisors, Depositories, Custodians, Principal Paying / Transfer / Conversion agents, Listing agents, Registrars, Trustees, Printers, Auditors, Stabilizing agents and all other Agencies / Advisors.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER that in case of a qualified institutional placement pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER that in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue.

RESOLVED FURTHER that in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, pursuant to the provisions of the FCCB Scheme and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this resolution.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER that the Equity Shares including issue and allotment of Equity Shares upon conversion of any depository receipts or other Securities referred to above so issued shall rank pari-passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that for the purpose of giving effect to any offer, issue or allotment of Securities the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER that the Board be and is hereby authorized to appoint Lead Manager(s) in offerings of Securities and such other agencies, if necessary and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and other agencies and to seek the listing of such securities.

RESOLVED FURTHER that the Board be and is hereby authorized to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of Securities.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to a Committee of Directors or any director or any officer of the company in such manner as it may deem fit.

#### **Resolution No. 7 :**

#### **To permit Foreign Institutional Investors FIIs / QFIs / FPIs, to invest in the equity shares of the Company by purchase or acquisition from the market under the Portfolio Investment Scheme prescribed under FEMA upto 49% of the paid up capital of the Company**

RESOLVED that pursuant to the provisions of Foreign Exchange Management Act, 1999 ("FEMA") (Including any statutory modification or re-enactment thereof for the time being in force) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended ("Regulations") and all other applicable rules and regulations, guidelines and laws and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company ("Board"), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to permit Foreign Institutional Investors ("FIIs"), Qualified Foreign Investor ("QFI") and Foreign Portfolio Investor ("FPI"), including their sub-accounts, to invest in the equity shares of the Company by purchase or acquisition from the market under the Portfolio Investment Scheme prescribed under FEMA and the said Regulations provided that the total holding of FIIs / QFIs / FPIs put together shall not exceed 49% (Forty Nine Percent) of the paid up capital of the Company, provided, however, that the equity shareholding of each FII / QFI / FPI shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee of Directors or any Director or Officer of the Company.

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

Place: Bangalore  
Date: June 18, 2014

**Sd/-  
Preetham Hebbar  
Company Secretary**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) READ WITH  
SECTION 110 OF THE COMPANIES ACT, 2013**

**Item No. 1 :**

Sequent Scientific Limited ("the Company") operates in 3 main businesses which are Active Pharmaceutical Ingredients ("API"), Veterinary Formulations and Specialty Chemicals.

Considering the specific and diverse needs of the different businesses, the management of the Company has taken a strategic decision to distinctly focus its efforts and resources towards growth and development of each line of businesses. The management also intends to simplify the group's operating structure by aligning businesses under different companies for the purpose of administrative convenience. This would also enable the Group as a whole to achieve expertise in businesses, focus and develop capacity & capability across geographies in order to build scale, ability to meet customer demand and develop products to meet customer requirements.

The Company has decided to divest its Specialty Chemicals Division and the members have already approved the same.

The Company proposes to undertake a slump sale of the Veterinary Formulations Division including the manufacturing facility located at Additional Ambarnath along with all related assets and liabilities including but not limited to employees, contracts, licenses, permits, consents and approvals of the Company as a going concern ("Veterinary Formulations Division") to Alivira Animal Health Limited ("Alivira"), a Joint Venture Company between the Company and Shasun Pharmaceuticals Limited.

This will help the Company to focus independently on high growth potential animal health market and to become a significant player in this market.

The Company had earlier sought an approval from the members of the company for transferring the Veterinary Formulations Division to Alivira (which was a wholly owned subsidiary at that time) through postal ballot and the same was approved by the members on December 10, 2013. Alivira ceased to be a wholly owned subsidiary w.e.f. April 11, 2014 and hence, the Company is seeking fresh approval from the members for the transfer of the Veterinary Formulations Division to Alivira, which is now a Joint Venture company with Shasun Pharmaceuticals Limited.

The transfer of the Veterinary Formulations Division would be effective from the date as may be decided by the Board, for a lump sum consideration of Rs. 300,000,000/- (Rupees Thirty Crore only) subject to adjustment of net working capital position calculated on the date of transfer and any variation of consideration as the Board may finalize to be discharged by way of cash or in any other mode of consideration as the Board may finalize.

For the purposes of effecting the sale / transfer of the Veterinary Formulations Division, the Company proposes to execute a Business Transfer Agreement ("BTA") and other related agreements such as assignment deeds, applications to governmental authorities etc.

The Board of Directors recommends the resolution as set out in item no. 1 of this notice for the approval of members by way of special resolution.

Dr. Gopakumar Nair and Dr. Gautam Kumar Das, Directors of the Company and Mr. Manish Gupta, Chief Executive Officer of the Company are Directors in Alivira. Dr. Gautam Kumar Das, Director of the Company and Mr. Manish Gupta and Mr. Kannan P. R., Key Managerial Personnel of the Company hold 1 (one) Equity share each in Alivira as nominees of the Company.

Devicam Capital LLP, a limited liability partnership, holds around 7% of equity share capital of Alivira Animal Health Limited. Mr. Arun Kumar (Promoter of the Company) and Mr. K. R. Ravishankar (Promoter & Director of the Company) indirectly owns 50% of Devicam Capital LLP and to this extent they are deemed to be interested in this resolution.

No other Director / Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

**Item No. 2 :**

M/s. Alivira Animal Health Limited (Alivira), a Joint Venture between the Company and Shasun Pharmaceuticals Limited had approached Export-Import Bank of India ("Exim Bank") for a credit facility of Rs. 125 Crores. Exim Bank had sanctioned a credit facility of Rs. 125 Crore. As per the sanctioned terms, the Company had to provide a Corporate Guarantee proportionate to its shareholding in Alivira.

As per the provisions of the Section 372A of the Companies Act, 1956, the Board had power to issue Corporate Guarantee without being previously authorized by a Special Resolution, provided the same gets ratified by the members within twelve months from the date of issuance of Corporate Guarantee in a General Meeting or Annual General meeting of the Company, held immediately after passing of the Resolution whichever is earlier.

In order to obtain expeditious disbursement from Exim Bank, the Company issued Corporate Guarantee on behalf of Alivira for an amount of Rs. 91.25 Crore (Rupees Ninety One Crore Twenty Five Lakh Only) together with interest other monies, charge(s) and other expenses payable on the Loan of Rs. 125 Crore.

The Corporate Guarantee was issued to Exim Bank as per the provisions of the Section 372A of the Companies Act, 1956 (the Section relating to issue of Corporate Guarantee under the Companies Act, 2013 was not notified at the time of issuance of Corporate Guarantee).

The Company is proposing to obtain the approval of the members under Section 186 of the Companies Act, 2013, which is the corresponding section to Sec 372A of the Companies Act, 1956.

The Board of Directors recommends the resolution as set out in item no. 2 of this notice for the approval of members by way of special resolution.

Dr. Gopakumar Nair and Dr. Gautam Kumar Das, Directors of the Company and Mr. Manish Gupta, Chief Executive Officer of the Company are Directors in Alivira. Dr. Gautam Kumar Das, Director of the Company and Mr. Manish Gupta and Mr. Kannan P. R., Key Managerial Personnel of the Company hold 1 (one) Equity share each in Alivira as nominees of the Company.

Devicam Capital LLP, a limited liability partnership, holds around 7% of equity share capital of in Alivira Animal Health Limited. Mr. Arun Kumar (Promoter of the Company) and Mr. K. R. Ravishankar (Promoter & Director of the Company) indirectly owns 50% of Devicam Capital LLP and to this extent they are deemed to be interested in this resolution.

No other Director/ Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

### **Item No. 3:**

Employees stock option represents a reward system which help foster employee motivation. It provides the employees with an opportunity to participate in the growth of the Company. Considering the importance of the employee stock options, the Company had formulated an Employee stock option plan titled Sequent Scientific Limited Employee Stock Option Plan - 2010 to grant stock options to employees and directors.

As per the existing scheme, the Company may grant a maximum of 100,000 stock options to any individual employee in any financial year.

Considering the growth of the Company and to reward the employee's contributions towards the growth, the Company intends to grant more than 100,000 stock options to employees in a financial year. The Board recommends to enhance the limit from 100,000 to 500,000 options.

To facilitate the same, the company proposes to amend the clause as mentioned in the resolution.

As per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"), any amendment to the ESOP scheme requires the approval of the members.

The Board of Directors recommends the resolution as set out in item no. 3 of this notice for the approval of members by way of special resolution.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

### **Item No. 4:**

As per the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"), the Company has to obtain the specific approval of the members if the options to be granted to any specific employee in any year under the ESOP scheme is in excess of 1% of total issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

Mr. Manish Gupta has joined the Company as Chief Executive Officer on January 1, 2014.

The Company proposes to grant 400,000 options to Mr. Manish Gupta, which is in excess of 1% of total issued capital and in this regard the company is seeking approval of the members.

The Board of Directors recommends the resolution as set out in item no. 4 of this notice for the approval of members by way of special resolution.

Mr. Manish Gupta, Chief Executive Officer is concerned and interested in this resolution.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

**Item No. 5**

The present Authorized Share Capital of the Company is Rs. 400,000,000/- (Rupees Forty Crore) divided into 40,000,000 (Four Crore) equity shares of Rs. 10/- each.

The Company is proposing to raise long term funds by way of issue of equity shares or other securities which are convertible into equity shares at a later date by way of qualified institutional placement ("QIP") and / or public issue and the proposal is placed before the members of the Company for their approvals as an item no. 6 of this notice. In order to enable the Company to issue further equity shares, it is proposed to increase the authorized share capital of the Company from the existing Rs. 400,000,000/- (Rupees Forty Crore) divided into 40,000,000 (Four Crore) equity shares of Rs. 10/- each to Rs. 500,000,000/- (Rupees Fifty Crore) divided into 50,000,000 (Five Crore) equity shares of Rs. 10/- each.

Accordingly the capital clauses in Memorandum of Association (MOA) and Articles of Association (AOA) of the Company have to be altered.

Such increase in authorized capital and alteration of MOA and AOA of the company have to be approved by the members of the Company by way of Special resolution.

The MOA and AOA of the Company together with the proposed alterations will be open for inspection for the members of the Company throughout the meeting and at the registered office / corporate office of the Company on all working days from 10.00 a.m. to 4.00 p.m. till the conclusion of this meeting.

The Board of Directors recommends the resolution as set out in item no. 5 of this notice for the approval of members by way of special resolution.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

**Item No. 6 :**

In order to meet the long term funding requirement including investments, capital expenditure as permitted by applicable rules and regulations, the Company proposes to raise upto Rs. 4,000,000,000/- (Rupees Four Hundred Crore only) (including premium) in one or more tranches through issue of Convertible Bonds or such other equity linked instruments or a mix of them by issue of equity or equity linked securities or such other permitted securities as may be finalized by the Board in the course of domestic and / or international offerings including but not limited to Qualified Institutional Placement within the meaning of Chapter VIII of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), Foreign Currency Convertible Bonds, Optionally Convertible Debentures, Bonds with share warrants attached, Global Depository Receipts, American Depository Receipts or any other equity linked instruments of the Company or a combination of the foregoing, in one or more tranches, at a price determined in accordance with applicable law and otherwise on such terms and conditions as may be deemed appropriate by the Board and/or any Committee thereof at the time of the issue or allotment of the Securities.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of the law.

Since the pricing and other terms of the offering cannot be decided except at a later stage, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalize the terms. However, the same would be in accordance with the ICDR Regulations, 2009 and / or Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Mechanism) Scheme, 1993 as amended from time to time or any other guidelines / regulations as may be applicable and in case of an issue of Securities to Qualified Institutional Buyers pursuant to Chapter VIII of the ICDR Regulations, the issue price of Securities shall be at a price, being not less than the price calculated in accordance with Chapter VIII of ICDR Regulations, as amended from time to time, and the relevant date in this regard shall be the date on which the Board decides to open the issue of Securities or such other time as may be allowed under the ICDR Regulations from time to time.

Section 62(1) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing shareholders of such company in the manner laid down therein unless the members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed under Item No. 6 of this notice may result in the issue of Equity Shares of the Company to persons other than members of the Company, consent of the members is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreements executed by the Company with the stock exchanges where the Equity Shares of the Company are listed. This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the investors who may or may not be the existing shareholders of the Company. The equity shares, if any, shall rank in all respects pari-passu with the existing Equity shares of the Company.

The Board of Directors recommends the resolution as set out in item no. 6 of this notice for the approval of members by way of special resolution.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

**Item No. 7 :**

In terms of Foreign Exchange Management Act, 1999 ("FEMA") and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("Regulations"), the ceiling for overall investment for FIIs / QFIs / FPIs is 24% of the paid up capital of the Company. The ceiling of 24% for FII / QFI / FPI investment can be raised upto the sectoral cap / statutory ceiling, subject to approval of the board of directors and the members of the company by passing a special resolution to that effect.

Board of Directors on June 18, 2014 approved the increase in the limit of investment by FIIs / QFIs / FPIs in the share capital of the Company upto 49%, subject to the approval of shareholders, Reserve Bank of India and any other statutory / regulatory authorities as may be required.

The resolution set out in the Notice will enable the FIIs / QFIs / FPIs to acquire shares of the Company under Portfolio Investment Scheme within the revised ceiling specified under the resolution.

The Board of Directors recommends the resolution as set out in item no. 7 of this notice for the approval of members by way of special resolution.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

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

Place: Bangalore  
Date: June 18, 2014

**Sd/-  
Preetham Hebbar  
Company Secretary**



# Sequent SCIENTIFIC LIMITED

CIN : L99999MH1985PLC036685

Regd. Office: 301, 3<sup>rd</sup> Floor, Dosti Pinnacle, Plot No. E7, Road No. 22,  
Wagle Industrial Estate, Thane (W), Maharashtra - 400 604

Corp. Office: Star I, Opp. IIM-B, Bilekahalli, Bannerghatta Road, Bangalore - 560 076

Website: www.sequent.in | Email : info@sequent.in

Tel.: +91 22 4111 4777 Fax : +91 22 4111 4754

## Sequent

Proven Ability in Life Science

### POSTAL BALLOT FORM

1. Name(s) of Member(s) (in block letters)  
(including joint-holders, if any)
2. Registered address of the Sole/  
First named Member/Beneficial Owner
3. Registered Folio Number/ DP ID No./ Client ID No..\*  
(\*Applicable to members holding shares in dematerialized form)
4. Number of shares held

I/We hereby exercise my/our votes in respect of the following Resolutions to be passed through Postal Ballot for the business as set out in the Notice of the postal ballot dated June 18, 2014 issued by the Company, by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below (tick in both the boxes will render the ballot invalid):

Sl. No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Special resolution pursuant to Section 180 (1) (a) of the Companies Act, 2013 for the slump sale of Company's Veterinary Formulations Division along with all related assets and liabilities ("Veterinary Formulations Division") of the Company to Alivira Animal Health Limited, a Joint Venture between the Company and Shasun Pharmaceuticals Limited.			
2.	Special Resolution to confirm and ratify the Corporate Guarantee given by the Company to EXIM Bank for the loan obtained by Alivira Animal Health Limited			
3.	Special resolution to approve the amendment to Sequent Scientific Limited Employee Stock Option Plan - 2010			
4.	Special Resolution to grant employee stock options to Mr. Manish Gupta, Chief Executive Officer			
5.	Special Resolution to increase the authorized capital of the Company and to amend the capital clauses of Memorandum of Association and Articles of Association thereof			
6.	Special Resolution to approve the raising of funds upto Rs. 400 Crore by way of a public issue, qualified institutional placement or a combination thereof.			
7.	Special Resolution to permit FIIs / QFIs / FPIs, to invest in the equity shares of the Company by purchase or acquisition from the market under the Portfolio Investment Scheme prescribed under FEMA upto 49% of the paid up capital of the Company			

Place:

Date:

(Signature of the Member)

#### e-Voting Particulars

EVEN (E-voting event number)	User ID	Password / PIN

The e-voting facility will be available during the following voting period :

Commencement of e-voting	End of e-voting
From 9 a.m. of July 2, 2014	Upto 5.00 p.m. of August 1, 2014

**Note: Please read carefully the instructions printed overleaf before exercising vote.**

## INSTRUCTIONS

The member(s) can opt only one mode of voting, i.e. either by e-Voting or physical mode. If you are opting for e-Voting, then do not vote by physical postal ballot also and vice versa. However, in case members cast their vote by physical ballot and e-Voting, then voting done through physical will prevail and voting done through e-Voting will be treated as invalid.

### A. Voting in Physical form:

1. A member desiring to exercise Vote by Postal Ballot in physical mode may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expense of the Registered Member will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This Form should be completed and signed by the member. In case of Joint-holding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named member and in his absence, by the next named member.
4. The Postal Ballot shall not be exercised by a Proxy.
5. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
6. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on August 1, 2014. All Postal Ballot Forms received after this date will be strictly treated as if reply from such member has not been received.
7. In case of Shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority, authorizing the signatory to execute and sign the Postal Ballot Form.
8. Voting rights shall be reckoned on the Paid-up value of Shares registered in the name of the member as on June 20, 2014.
9. Members are requested not to send any other paper along with the Postal Ballot Forms in the enclosed self-addressed Postage Prepaid Envelope in as much as all such Envelopes will be sent to the Scrutinizer and any extraneous paper found in the Envelopes would be destroyed by the Scrutinizer. Members are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.
10. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the close of working hours on August 1, 2014.
11. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

### B. Process and Manner for Members opting for e-Voting is as under:

#### a) In case of Members receiving e-mail from NSDL

1. Open e-mail and open PDF file viz. "Sequent Scientific Limited e-Voting.pdf" with your Client ID or Folio No. as password. The PDF file contains user ID and Password for e-Voting. Please note that, this password is an initial password.
2. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
3. Click on Shareholder-Login.
4. Put user ID and Password noted in step (1) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
5. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
6. Home page of "e-Voting" opens. Click on "e-Voting": Active Voting Cycles.
7. Select "EVEN (E-Voting Event Number)" of Sequent Scientific Limited. For any EVEN, you can login any number of times on e-Voting platform of NSDL till you have voted on the resolution during the voting period.
8. Now you are ready for "e-Voting" as "Cast Vote" Page opens.
9. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once the vote on a resolution is cast by the Member she/ he shall not be allowed to change it subsequently.
12. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [binoy@cnpartners.in](mailto:binoy@cnpartners.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investors@sequent.in](mailto:investors@sequent.in).

#### b) In case of Members receiving Postal Ballot Form by Post:

1. Initial Password is provided at the bottom of the Postal Ballot Form. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
2. Please follow all steps from Sl. No. (2) to (12) given above to cast your vote.

In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-Voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com/> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)