

SEQUEL E-ROUTERS LIMITED

Sequel E-Routers Limited

Board of Directors

Mr. Kamlesh Dave
Mr. Sunil Devraj Kumar
Mrs. Jitumati Shah

Chairman and Executive Director
Independent and Non-Executive Director
Independent and Non-Executive Director

Auditors

M/s. P. Dalal & Co.,
Chartered Accountants
75, Samast Bramkshatriya Society,
Bhattha, Paldi, Ahmedabad-380007.

Registered Office
302, Mahakant Complex,
Nr V S Hospital,
Ellisbridge, Ahmedabad - 380015

SEQUEL E-ROUTERS LIMITED

NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is here by given that the Annual General Meeting of the Company will be held at 302, Mahakant Complex, Nr V S Hospital, Ellisbridge, Ahmedabad – 380015 on 30th September, 2010 at 3.00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31st March, 2010 and profit & loss account of the company for the year ended on 31st March, 2010 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mrs. Jitumati Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditor & fix their remuneration.

Date: 18/06/2010
Place: Ahmedabad

For & on behalf of the Board of Director

Sd/-
(Sunil Kumar)
Director

Sd/-
(Kamalesh Dave)
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from 18th September, 2010 to 30th September, 2010 (both days inclusive).
3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
4. As a matter of convenience the shareholders are requested to inform their queries if any, the company in advance so as to enable the company to properly reply the same at the time of meeting.

Date: 18/06/2010
Place: Ahmedabad

For & on behalf of the Board of Director

Sd/-
(Sunil Kumar)
Director

Sd/-
(Kamalesh Dave)
Director

SEQUEL E-ROUTERS LIMITED

DIRECTORS' REPORT

To,
The Members

The Directors' present the Annual report on the business and operations of your Company for the year 2009-2010.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Sales/Income	85000	72000
Less Depreciation	Nil	Nil
Profit/(Loss) before Tax	(4089960)	(4102960)
Taxes/Deferred Taxes	Nil	Nil
Profit/(Loss) After Taxes	(4089960)	(4102960)
P& L Balance b/f	(45229850)	(41126890)
Profit/ (Loss) carried to Balance Sheet	(49319810)	(45229850)

Your Directors feel pleasure to report that the Company is stay on making profit in its life cycle because of heavy past year losses Company make only set off loss by this year profit.

PARTICULARS OF EMPLOYEES:

There is no employee receiving salary of Rs. 24 Lac per annum or Rs. 2 Lac per month during the 12 Months period ended 31st March, 2010, the details as required to be furnished under section 217(2A) of the companies Act 1956 read with the Companies (Particulars of employee) Rules, 1975 as amended.

DIRECTORS:

Mrs. Jitumati Shah Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer them for re-appointment.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts.

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

SEQUEL E-ROUTERS LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

APPOINTMENT OF AUDITORS:

M/s. P. Dalal & Co., Chartered Accountants, Ahmedabad, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review. Your Company is listed with the Bombay Stock Exchange, Ahmedabad Stock Exchange Limited, Madaras Stock Exchange Limited.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE:

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

SEGMENT:

Your Company is engaged in a single segment only.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

Date: 18/06/2010
Place: Ahmedabad

For & on behalf of the Board of Director

Sd/-
(Sunil Kumar)
Director

Sd/-
(Kamalesh Dave)
Director

SEQUEL E-ROUTERS LIMITED

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

A. Mandatory Requirements

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

1. COMPANY'S PHILOSOPHY

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors as on date of Report:

The Board of Directors of the Company comprised three Directors out of which two were non-executive Directors. All the non-executive Directors are also independent directors. The Chairman is an executive director.

Name of Director

Category

Mr. Kamlesh L. Dave	Chairman and Executive Director
Mrs Jitumati V. Shah	Non-Executive and Independent Director
Mr. Sunil Kumar	Non-Executive and Independent Director

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Board Meetings and Attendance Record of Directors:

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of

SEQUEL E-ROUTERS LIMITED

matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board duly met.

Extra Ordinary General Meeting:

No Extra Ordinary General Meeting held during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of other Directorship
Mr. Kamalesh Dave	Chairman and Executive Director	NIL
Mr. Sunil Kumar	Independent and Non-Executive Director	NIL
Mrs. Jitumati V. Shah	Independent and Non-Executive Director	2

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mrs. Jitumati Shah retires by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

(a) Profile of Mrs. Jitumati Shah Director being appointed u/s 255, 256 of the Companies Act, 1956

Name	Mrs. Jitumati Shah
Date of Birth	04/12/1951
Date of Appointment	02/07/2007
No. of shares held in the company	Nil
No. of warrants held in the company	N.A
Directorship in other company	Nil

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2010 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship in other	No. of Committees positions	No. of Committees positions

SEQUEL E-ROUTERS LIMITED

		Public Companies	held as Chairman on other public Companies	held as member in other public Company
1.	Mr. Kamalesh Dave	--	--	--
2.	Mr. Sunil Devraj Kumar	--	--	--
3.	Mrs. Jitumati V. Shah	2	--	--

3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2010, the Audit Committee comprised of three Directors namely:

Mrs. Jitumati V. Shah	Chairman	-Non Executive & Independent Director
Mr. Sunil Kumar	Member	-Non Executive & Independent Director

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

Brief description of terms of reference:

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board

SEQUEL E-ROUTERS LIMITED

- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement.
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee Meetings were held during Financial Year 2009-10 The dates on which the said meetings were held as follows:

22/04/2009	22/07/2009	22/10/2009	22/01/2010
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3.2 Remuneration Committee:

The remuneration committee of the Company comprises of Mr. Kamalesh Dave as Chairman and members as Mr. Sunil Kumar and Mrs Jitumati V. Shah.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

There was no meeting of Remuneration Committee during the Financial Year 2009-10.

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

SEQUEL E-ROUTERS LIMITED

Sr. No.	Name	Position
1	Mr. Kamallesh Dave	Chairman
2	Mr. Sunil Kumar	Member
3	Mrs Jitumati V. Shah	Member

Mr. Kamallesh Dave Chairman and Executive Director of the company was heading the committee as well as he was designated as the Compliance officer of the Company.

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2010 is given below :

Complaints Status: 01.04.2009 to 31.03.2010

- Number of complaints received so far : Nil
- Number of complaints solved : Nil
- Number of pending complaints : Nil

4. GENERAL BODY MEETING:

a. Location and time where last three AGMs were held:

Year of AGM	Date of the AGM	Time	Place of AGM Held
2007	25 th September, 2007	3.00 P.M.	302, Mahakant Complex, Nr V S Hospital, Ellisbridge, Ahmedabad – 380015
2008	29 th September, 2008	3.00 P.M.	302, Mahakant Complex, Nr V S Hospital, Ellisbridge, Ahmedabad – 380015
2009	30 th September, 2009	3.00 P.M.	302, Mahakant Complex, Nr V S Hospital, Ellisbridge, Ahmedabad – 380015

Passing of the Resolution by postal Ballot:

During the year under review no resolution(s) were transacted through Postal Ballot. At the ensuing annual general meeting there are no resolutions proposed to be put through postal ballot.

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

2009

No special resolution passed in the year under review.

SEQUEL E-ROUTERS LIMITED

2008

No special resolution passed in the year under review.

2007

No special resolution passed in the year under review.

5. DISCLOSURES:

a. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Point 12 of Schedule 5 of Notes to Accounts.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

6. CEO/CFO CERTIFICATION:

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2009-2010;

- Significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and

SEQUEL E-ROUTERS LIMITED

- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

7. MEANS OF COMMUNICATIONS:

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc. are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

8. GENERAL SHAREHOLDER INFORMATION:

- Annual General Meeting: Date, Time and venue: 30th September, 2010, at 3.00 p.m. at the Registered Office of the Company.
- Financial Year: 1st April 2009 to 31st March, 2010.
- Financial Calendar for next financial year:
 - 1st quarterly results – last week of April, 2010.
 - 2nd quarterly results – last week of July, 2010
 - 3rd quarter results – last week of October, 2010.
 - 4th quarter results – last week of January, 2011.
- Date of Book Closure: 18th September, 2010 to 30th September, 2010
- Dividend Payment Date: N.A.
- Listing of Equity Shares on Stock Exchanges: The Company has paid Annual Listing Fees to the Stock Exchanges where the Company's shares are listed for the financial Year upto 31-03-2010.
- Stock Code: ASE 43873
BSE 521238
MSE PWS
- Demat ISIN number: INE893C01016
- High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2009-10 are furnished below:

As the Company has been suspended from Bombay Stock Exchange Limited, no trading of securities took place during the year.
- Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex: The Company has nothing to report on the matter.
- Registered and Transfer Agent: The Company has appointed M/s. Sharepro Services (India) Private Limited as Registrar and Transfer Agent.
- Share Transfer System: Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

SEQUEL E-ROUTERS LIMITED

m. Distribution of Shareholding as on Dated 31.03.2010

Share Holding of		Share Holders		Share Amount	
Nominal Value		No.	% to total	In Rs.	% to total
Rs.	Rs.				
Up to	5000	9959	93.49	12498620	22.33
5,001 to	10000	299	2.81	2553570	4.56
10,001 to	20000	170	1.60	2660760	4.75
20,001 to	30000	62	0.58	1640000	2.93
30,001 to	40000	31	0.29	1141130	2.04
40,001 to	50000	27	0.25	1302490	2.33
50,001 to	1,00,000	56	0.53	4263810	7.62
1,00,001 &	above	49	0.46	29899620	53.43
	TOTAL	10653	100	55960000	100

n. Shareholding pattern as on 31.03.2010

who may be deemed to be acting in concert including promoter/directors group		
Companies	938600	16.77
b. Mutual Fund/Trust	0	0.00
c. Financial Institution Banks	0	0.00
d. Bodies Corporate	313310	5.60
e. Indian public	4344090	77.63
TOTAL	5596000	100

Dematerialization of shares: As on 31.03.2010 Demated shares accounted for 26,91,925 Equity Shares of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

O. Address for communication:

Sequel E-Routers Limited
 Regd Off. : 302, Mahakant Complex,
 Nr V S Hospital,
 Ellisbridge, Ahmedabad - 380015

SEQUEL E-ROUTERS LIMITED

Declaration of compliance with the code of conduct

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

Date: 18/06/2010
Place: Ahmedabad

For & on behalf of the Board of Director

Sd/-
(Sunil Kumar)
Director

Sd/-
(Kamalesh Dave)
Director

SEQUEL E-ROUTERS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Due to the age of the Information Technology Industry and its links with the social structure, the organizational structure that has emerged is a very complex one containing within it elements of continuity with traditional structures of small scale industries, as well as those that represent a break with them evolving as a much more organized and large scale industry like your Company.

Small scale reservation has been in existence for the Components and Technology products industry when reservation was extended from small Technology sector to a large number of industries where small scale is important. Post nineties there has been a gradual de-reservation and the entire Technology sector is now 'de-licensed' and 'de-reserved', paving the way for expansion on modern lines with state-of-the-art machinery and equipment. De-reservation thus constituted a major aspect of the changed conceptualization of small scale thereby increasing the export potential of the industry as a whole.

The changing lifestyles coupled with the increasing affluence of consumers is likely to lead to enhanced demand in the domestic market and export demand is expected to grow in days to come due to improved quality and cost competitiveness. Sequel E-Routers Limited being an established player having object to carry on the business of industrial utilization of Technology products

OPPORTUNITIES AND THREATS

The Indian economy continues to stride forward and the last couple of years have witnessed impressive economic growth with the GDP growing at the rate of 8 -10%. Combined with the large opportunity from the huge domestic market and a burgeoning middle class, which is slated to grow ten times over the next fifteen years, the Indian economy presents great opportunities for business in India. It is expected that disposable income per capita will increase in India over the next few years.

With the rise in disposable and exposure in fashion trends, consumers today are on the lookout for technology and accessories that are high on the fashion aspect, without compromising on quality. Upwardly mobile youth are spending more on natural product and thrust is on variety and international trends. Professional women are increasingly spending more on technology products and this creates a new opportunity in the market to expand. Sequel e-Routers Limited enjoys a very strong brand positioning with consumers in the Indian market and is quick to evolve its products to meet the changing needs of today's customers. Today, the Company is all set to emerge as a vibrant lifestyle brand offering fashionable products to consumers at an affordable price.

Organized retailers in India are also facing a threat from 'non-specialist' retailers like apparel retailers diversifying into natural product and discount hypermarkets and retailers introducing and promoting their own brands at competitive prices. These non-specialist retailers are likely to grow their market shares by increasing the range of products offered, and shopping merchandizing space allocated to their own product. Your Company is prepared to meet these challenges by increasing the coverage open big stores, in best locations, shopping malls and developing aggressive product & pricing strategies to meet the expectation of the customers.

The challenge of real estate management for any retailer in India today is very large as the continuous evolution of modern retail spaces, combined with steep increase in rentals,

SEQUEL E-ROUTERS LIMITED

presents real challenges. Your Company has been managing this challenge with negotiating low rentals for all new stores and reducing rentals in existing stores.

SEGMENT WISE OR PRODUCTWISE PERFORMANCE

Sequel e-Routers limited operates in only one segment in which it manufactures Technology products other useful raw material for new product.

OUTLOOK

Sequel e-Routers limited India's focus has been on expanding the presence of its stores, training employees, improving its product quality, collection, customer service and reducing the aged stock. Due to Company's strategy of aggressive retail expansion, up gradation of collection, Its entry into the safety natural product market has been equally successful.

Going forward, the Company remains committed to its shareholders and will continue to deliver great results with its strategy of retail and wholesale expansion, improvement in customer service, and by delivering to its customer's great products at great prices, which will ensure the continued success of Sequel e-Routers Limited.

RISKS AND CONCERNS

CONTINGENT LIABILITY

There are no claims against the Company which have to acknowledge as debts which mentions in schedules to the Statement of Accounts. On the basis of current status of these positions there is no requirement for any legal advice obtained, the Company is confident that no provision is required in respect of Company at this point in time.

RISK RELATED TO CHANGES IN LAWS AND REGULATIONS

Any adverse change in the laws and regulations governing the natural product and Agro industry could affect the business and financial condition of the Company.

INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls in place to ensure that all assets are safeguarded and protected and that all transactions are authorized, recorded and reported correctly.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has negative growth for some years but the Management is confident of turn around soon, barring unforeseen circumstances.

The Company is deploying its internal accruals for aggressive expansion program.

CAUTIONARY STATEMENT

Statements in the Management's discussion and analysis report describing the Company's estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in

SEQUEL E-ROUTERS LIMITED

Government regulations, tax regimes, economic developments within the country and outside the country and other factors such as litigation and labour negotiations. .

CONCLUSION

The Directors place on record their sincere appreciation for the cooperation and support received from investors, our dear shareholders, customers, business associates, vendors as well as regulatory and governmental authorities.

The Directors appreciate the invaluable contribution of the management team in performing an outstanding job in taking the Company to greater heights and also thank the employees for the significant contribution made by them to the Company's progress.

We would like to specifically thank your Chairman for the untiring work in the re-organization of our company.

For & on behalf of the Board of Director

Date: 18/06/2010
Place: Ahmedabad

Sd/-
(Sunil Kumar)
Director

Sd/-
(Kamalesh Dave)
Director

SEQUEL E-ROUTERS LIMITED

Compliance Certificate

To,
The Members,
Sequel E-Routers Limited
302, Mahakant Complex,
Nr V S Hospital,
Ellisbridge, Ahmedabad - 380015

We have examined the compliance of Corporate Governance by Sequel E-Routers Limited for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. Dalal & Company,
Chartered Accountants

Date: 18/06/2010
Place: Ahmedabad

S/d
P. S. Dalal
(Proprietor)
M. No. 37983

Auditors' Report

Auditors' Report to the members of Sequel e-Routers Limited

We have audited the attached Balance Sheet of **M/S Sequel e-Routers Limited** as at March 31, 2010, and the Profit and Loss Account for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the Accounting Principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account, as required by the law, have been kept by the Company, so far as appears from our examination of those books;
- (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of Companies Act, 1956;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, give the information required by the Companies Act, 1956, in the manner so required and give as true and fair view in conformity with the Accounting Principles generally accepted in India:
- (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
- (ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.

**For P. Dalal & Company,
Chartered Accountants**

**Place: Ahmedabad
Date: 18th June, 2010**

**Sd/-
P. S. Dalal
(Proprietor)
M. No. 37983**

Annexure referred to in paragraph II of our report of even date

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - (c) There was no substantial disposal of fixed assets during the year.
- (ii)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed to us, the Company granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered into the register maintained under section 301 of the Act.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records given by the Company, no dues outstanding of sales-tax, Investor education and protection fund, income-tax, custom duty, wealth-tax, excise duty and cess on account of any dispute:
- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. Further, the Company has not incurred any cash losses in the current financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, there is no Outstanding Balance of secured loans.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xvi) In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

**For P. Dalal & Company,
Chartered Accountants**

**Place: Ahmedabad
Date: 18th June, 2010**

**Sd/-
P. S. Dalal
(Proprietor)
M. No. 37983**

SEQUEL e-ROUTERS LIMITED
BALANCE SHEET AS AT 31/03/2010

PARTICULARS	SCHE DULE	AS AT 31/03/2010	AS AT 31/03/2009
<u>SOURCES OF FUNDS:</u>			
<u>SHAREHOLDERS FUNDS</u>			
Shareholders Funds	1	53532000	53532000
Reserves & Surplus		0	0
Total Rs.		53532000	53532000
<u>LOAN FUNDS:</u>			
Secured Loans		0	0
Unsecured Loans		0	0
Total Rs.		0	0
		53532000	53532000
<u>APPLICATION OF FUNDS:</u>			
<u>(i) FIXED ASSETS</u>			
		0	0
<u>(ii) INVESTMENTS</u>			
		0	0
<u>(iii) CURRENT ASSETS LOANS & ADVANCES</u>			
Sundry Debtors	2	3528567	7057142
Cash & Bank Balance		11711	16711
Loans & Advances		0	0
Less:			
<u>CURRENT LIABILITIES AND PROVISIONS</u>			
Current Liabilities	3	934460	779668
NET CURRENT ASSETS		2605818	6294185
MISC. EXPENDITURE		0	0
(To the extent not written off or adjusted)			
ISSUE EXPENSES		1606372	2007965
BALANCE AS PER PROFIT AND LOSS ACCOUNT		49319810	45229850
TOTAL RS.		53532000	53532000
NOTES FORMING PART OF ACCOUNTS	5		
FOR AND ON BEHALF OF THE BOARD		AS PER OUR REPORT OF EVEN DATE	
		For, P. Dalal & Co.	
		Chartered Accountants.	
Sd/-	Sd/-	Sd/-	
Director	Director	Prashant Dalal	
		(Proprietor)	
Date : 18/06/2010		M.No.37983	
Place: Ahmedabad			

SEQUEL E ROUTERS LIMITED
PROFIT & LOSS ACCOUNT AS AT 31/03/2010

PARTICULARS	SCHE DULE	31/03/2010 AMOUNT Rs.	31/03/2009 AMOUNT Rs.
(A) INCOME:			
Sales & Other Income		85000	72000
Total Rs.		85000	72000
(B) EXPENDITURE			
1. Purchase			
2. Indirect Expenses	4	244792	244792
3. Issue Expenses Written off		401593	401593
4. Bad debts Written off		3528575	3528575
Profit (Loss) Before Depreciation And Preliminary Exp.		-4089960	-4102960
Less : Depreciation			0
Preliminary & Pre-operative Exp. W/Off		0	0
Profit & loss Before Tax		-4089960	-4102960
Less : Provision for Taxation		0	0
Profit & loss After Tax		-4089960	-4102960
Net Profit/(Loss) for the year		-4089960	-4102960
Add:Balance brought forward from previous year		-45229850	-41126890
Balance Carried to Balance Sheet		-49319810	-45229850
FOR AND ON BEHALF OF THE BOARD		AS PER OUR REPORT OF EVEN DATE	
		For, P. Dalal & Co.	
		Chartered Accountants.	
Sd/-	Sd/-	Sd/-	
Director	Director	Prashant Dalal	
Date : 18/06/2010		(Proprietor)	
Place: Ahmedabad		M.No.37983	

SEQUEL E-ROUTERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	AMOUNT 2009-2010	AMOUNT 2008-2009
A.CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT AFTER DEPRECIATION BEFORE EXTRA ORDINARY ITEM	-4089960.00	-4102960.00
Adjustments for		
Depreciation	0.00	0.00
Share/Debenture Issue Expenses written off	0.00	0.00
Preliminary Expenses Written off	401593.00	401593.00
Excess provision for Taxation/Dividend written back	0.00	0.00
	-3688367.00	-3701367.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for increase/decrease in :		
Trade and Other Receivables	0.00	0.00
Bad Debts Written off	3528575.00	3528575.00
Inventories	0.00	0.00
Trade & Other Payables	154792.00	178292.00
CASH GENERATED FROM OPERATIONS	-5000.00	5500.00
Interest Paid	0.00	0.00
Direct Taxes Paid (TDS deducted from various income)	0.00	0.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-5000.00	5500.00
EXTRAORDINARY ITEMS	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES (A)	-5000.00	5500.00
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.00	0.00
Sales of Fixed Assets	0.00	0.00
Purchase of Investments/Increase in Investment	0.00	0.00
Sales of Investments/Decrease in Investment in AOP	0.00	0.00
Interest/Dividend Received	0.00	0.00
Loan & Advances	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES (B)	0.00	0.00

C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0.00	0.00
Proceeds from Long Term Borrowings	0.00	0.00
Share/Debenture Issue Expenses/Preliminary Expenses	0.00	0.00
Increase/(Decrease) in Unsecured Loan	0.00	0.00
Increase/(Decrease) in Current Liabilities	0.00	0.00
Dividend Paid	0.00	0.00
NET CASH USED IN FINANCING ACITIVITES (C)	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	-5000.00	5500.00
(A+B+C)		
CASH AND CASH EQUIVALENTS AS AT 1.4.2009	16711.00	11211.00
CASH AND CASH EQUIVALENTS AS AT 1.4.2010	11711.00	16711.00
NET INCREASE/DECREASE IN CASH EQUIVALENTS	-5000.00	5500.00
NOTE : FIGURES IN BRAKETS SHOWS OUTFLOW		

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statemnt of SEQUEL e-ROUTERS LIMITED, AHMEDABAD for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

As Per our Attached Report of even date

**FOR P. Dalal & Co.
Chartered Accountants**

**Sd/-
P. Dalal
Proprietor
M. No. 37983**

**PLACE : Ahmedabad
DATE: 18/06/2010**

SEQUEL E ROUTERS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31/03/2010 RS.	As at 31/03/2009 RS.
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
6000000 Equity Share Capital of Rs. 10 Each	60000000	60000000
	60000000	60000000
Issued, subscribed and Paid up Capital :-		

5596000 EQUITY SHARE CAPITAL OF Rs. 10 EACH	55960000	55960000
Total Rs.	55960000	55960000
Paid Up Capital		
55,96,000 Equity Shares of Rs. 10/- each	55960000	55960000
Less: Calls in Arrears	-2428000	-2428000
(485600 Equity Shares of Rs. 5 each)		
Share Application	0	0
Total Rs.	53532000	53532000
SCHEDULE-2		
<u>Loans & Advances</u>		
Advances recoverable in cash or kind or value to be received	0	0
Due from the companies, firm & other parties in which directors of the company are interested	0	0
Due from the director of the company	0	0
Loans to Others	0	0
Cash & Bank Balance	11711	16711
Sundry Debtors	3528567	7057142
Total Rs.	3540278	7073853
SCHEDULE-3		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities</u>		
Creditors for Goods & Others	934460	779668
Total Rs.	934460	779668
SCHEDULE-4		
<u>Administrative Expenses</u>		
Stationery & Ptg.	850	850
Office Electricity Utility	31500	31500
Bank Charges		
Audit Fee	10500	10500
Directors Remuneration	150000	150000
Telephone & Postage	12500	12500
Misc. Exp.	3442	3442
Consultancy Fees		
Salary Exp.	36000	36000
Total Rs.	244792	244792

SCHEDULE: 5
NOTES FORMING PART OF THE ACCOUNTS

1. Contingent Liabilities is:	31-03-2010 NIL	31-03-2009 NIL
2. Director Remuneration	31-03-2010 150000/-	31-03-2009 150000/-
3. Information pursuant to the provision of paragraph 3 & 4 of Part-II of Schedule VI of the Companies Act, 1956.		
<ul style="list-style-type: none"> • Expenditure in respect of employees who are in receipt of remuneration aggregating to Rs 2400000/- or more for the year (previous year Rs. 2400000/-) or Rs. 200000/- per month (Previous year Rs. 200000/- per month of employed for a part of the year. 		
	31-03-2010	31-03-2009
<ul style="list-style-type: none"> • Employed throughout year • Employed for apart of the year 	NIL	NIL
	NIL	NIL
4. Auditor's Remuneration		
	31-03-2010	31-03-2009
(a) As auditors	10500/-	10500/-
Tax Audit Fees	Nil	Nil
(b) In other capacity		
(1) For Income-Tax	Nil	Nil
(2) For Company Law matter	Nil	Nil
(3) For Certification Work	Nil	Nil
(4) For other works	Nil	Nil
5. The Company has not commenced operation during the year and hence expenses incurred are capitalized to pre-operative expenses. In the opinion of the management the current assets, loans and advances appearing in the books of the accounts have realizable value in the ordinary course of business, which in the aggregate is not less than the amount stated therein.		
6. Debit and Credit Balance in the Accounts of Suppliers, Debtors and other are subject to conformation.		
7. Previous year figures have been regrouped / reclassified wherever necessary.		
8. Significant accounting policies followed by the Company are as stated in the statement annexed to this schedule.		

9. Information required in terms of Part IV of Schedule VI to the Companies Act, 1956 as complied by the company is attached.

10. Schedule 1 to 8 and Annexure A to G forming parts of the Balance Sheet and Profit & Less Account.

11. Significant accounting policies followed by the company are as stated in the para below.

Significant Accounting Policies:

(a) Basis of Preparation of Financial Statements

1) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provision of the Companies Act 1956 as adopted consistently by the company.

2) The company generally follows the mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis, except in case of significant uncertainties.

b) Investments

Investments are valued at cost of acquisition.

c) Inventories

Inventories comprising finished goods are stated at lower of the cost or realizable value.

d) Fixed Assets

1) Fixed Assets are accounted for on historical cost basis.

2) Depreciation has been provided for on the Straight line method at the rate prescribed under Schedule XIV to the Companies Act 1956.

e) Retirement Benefits

The provisions of the payment of Gratuity Act 1972 are not applicable at Present because as none of the employees have completed five years of Continuous services
Contributions to Provident Fund if any are made on actual liability basis.

**For P. Dalal & Company,
Chartered Accountants**

Place: Ahmedabad

Date: 18th June, 2010

**Sd/-
P. S. Dalal
(Proprietor)
M. No. 37983**

12. Additional information

Balance Sheet abstract and Company's General business profile as per Part IV of Schedule VI of Companies Act, 1956:

Registration Details

Registration No.	:	017815
State Code	:	04
Balance Sheet Date	:	March 31, 2010

Capital Raised during the Period (Amount in Rs. Thousand)

Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	53532
Total Assets	:	53532

Sources of Funds:

Paid-up capital	:	53532
Share Application Money	:	Nil
Reserves & Surplus	:	Nil
Secured Loans	:	Nil
Unsecured Loans	:	Nil
Deferred tax liabilities	:	Nil

Application of Funds:

Net Fixed Assets	:	Nil
Investments	:	Nil
Deferred Tax asset	:	Nil
Net Current Assets	:	2605
Miscellaneous Expenditure	:	1606
Accumulated Losses	:	49319

Performance of Company (Amount in Rs. Thousands)

Total Income	:	85
Total Expenditure	:	4174
Profit/ (Loss) before tax	:	(4089)
Profit/ (Loss) after tax	:	(4089)
Dividend Rate %	:	Nil

Generic Names of three Principal Products/Services of the Company.

Item Code No.	:	8542
Product Description	:	Electronic Products

Item Code No.	:	-
Product Description	:	-

Item Code No.	:	-
Product Description	:	-

As per our report of even date

**For P. Dalal & Company,
Chartered Accountants**

For & on behalf of the Board of Director

**Sd/-
P. S. Dalal
(Proprietor)
M. No. 37983**

**Sd/-
Director**

**Sd/-
Director**

**Place: Ahmedabad
Date: 18th June, 2010**

SEQUEL E-ROUTERS LIMITED

PROXY FORM

Registered Folio No:

No of Shares held:

I/We _____ of _____ being Member / Members of Sequel e-Routers Limited, hereby appoint Shri / Smt. _____ of _____ or failing him Shri / Smt. _____ of _____ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 30th Day of September, 2010 at 3.00 p.m.

Signed by the said _____ day of _____ 2010.

Signature: _____

**Affix Rs. 1
Revenue
Stamp**

Applicable to the members holding shares in electronic form.

NOTE:

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

=====

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg.Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at 302, Mahakant Complex, Nr V S Hospital, Ellisbridge, Ahmedabad – 380015 on 30th September, 2010 at 3.00 p.m.

Full Name of the Members/Proxy _____
(In Block Letters, to be filled in if the proxy attends instead of the Member)

Members/ Proxy Signature

Application to the members holding shares in electronic form.

NOTES:

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.