
REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and other Regional Stock Exchanges, the report containing the details of corporate governance followed at SEYA is as under:

Corporate Governance at SEYA is based on some principles like business with all integrity and fairness, being transparent about all transactions, making timely disclosures and declarations, to comply with all laws applicable to the Company, commitment to conduct the business in ethical manner and accountability and responsibility towards all stakeholders of SEYA and towards society.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SEYA is always committed to the pursuit of excellence to achieve growth and long-term shareholders wealth creation, while at the same time preserving the interest of other stakeholders, its employees, partners, customers, suppliers and the society at large. Though Corporate Governance contains a set of principles, processes and systems to be followed by Directors, Management and all employees of the Company as binding principles. Your Company believes in using it as a framework that is inherent to the value systems that drive business practices. Timely disclosures, transparent business practice which is driven by the ideas of pursuing excellence and modern ongoing research, have become a culture of the Company. Accordingly, both mandatory and non-mandatory principles are being followed in the interest of good corporate governance. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, Customers, suppliers, the employees and other stakeholders.

Corporate Governance Framework at SEYA



2. BOARD OF DIRECTORS ("THE BOARD")

The Company has maintained optimum combination of Executive Directors and Non-Executive Directors.

The Board as on March 31, 2013 consist of 4 (Four) Directors, of which 2 (two) are Executive Directors, and Chairman being Executive Director, 50% of the Board consist of Non-executive Independent Director which is in conformity with clause 49(l) (A) (ii) of the Listing Agreement

The Composition of Board is as follows

Name of the Director	No. of Meetings during the year		Attended the Last AGM	No. of Directorship in other Companies	Member / Chairman of Committees other than the Company
	Held	Attended			
Mr. Ashok G Rajani - <i>Executive Director</i>	4	4	Yes	1	1
Mr. Asit Kumar Bhowmik - <i>Executive Director</i>	4	4	Yes	—	—
Mr. Virendra Singh Khurana - <i>Non-Executive Independent Director</i>	4	4	Yes	—	—
Mr. Ramnath Arora - <i>Non-Executive Independent Director</i>	4	4	Yes	—	—

Notes

1. Mr. Ashok G Rajani is Chairman & Managing Director of the Company
2. Membership / chairmanship of the Committee includes only those of Audit Committee and Investor's Grievances Committee

No Director is related to any other Director on the Board.

Director's Profile:

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/ chairmanships of Board Committees and their shareholding in the Company are provided below:

Mr. Ashok G Rajani

He is a Chemical Engineer from Laxminarayan Institute of Technology, Nagpur. He is enriched with vast experience of over 37 years in Chemical Industry. With his expertise and knowledge of Chemical Industry **SEYA's** efficiencies and productivity is increased many fold.

Mr. Rajani is also a Director of Sriman Petrochemicals Limited. At **SEYA** he is a Member of Audit Committee, Shareholders' / Investor Grievance Committee. He is also Promoter of the Company.

Mr. Ramnath Arora

Mr. Ramnath Arora is A.M.I.E. in Chemical Engineering. He has been in Chemical Industry since last 45 years and has vast experience in Production, Process Consultancy and Detail Engineering in the Chemical Industry.

He is with the Company since 2008. He was associated with Hindustan Organic Chemicals Limited. He has given Process Consultancy to Arlabs Ltd., United Esters Ltd. and Vibros Organics Private Limited.

He also organized many seminars & delivered lectures on safety awareness & other critical issues faced by Chemical Industries.

Mr. Asit Kumar Bhowmik

Mr. Bhowmik aged 60 years is a B. Tech in Chemical Engineering with more than 33 years of experience in Chemical Industry. He has worked with Hindustan Insecticides Ltd., Udhogmandal Unit, (Kerala) & also worked in its Rasayani Unit (MS) in various capacities. He is associated with your Company for more than 20 years. He is instrumental in resolving many issues related to safety & other problems of various units of your Company.

Mr. Virendra Singh Khurana

Mr. Khurana aged 62 years is B.A. (Hons) graduate from St. Xavier's College, Mumbai. He is a Master of Law with International Law and Taxation as specialties. Mr. Khurana is an advocate having a very rich and vast knowledge and experience into legal field for over 38 years. His specific functional area is contractual, commercial and taxation laws.

3. BOARD MEETINGS

The Board of Directors provides guidance and strategic direction to the management and evaluates effectiveness of management policies in achieving the set goals. Board meeting dates are finalized in consultation with all the directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board members to take informed decisions. Board members are free to bring any matter to the Board. Minutes of the Board meeting are circulated to all Directors and same is confirmed in the subsequent Board meeting.

Details of the Board Meeting

In compliance with the Clause 49 of the Listing Agreement, during the period under review, the Board met at least once in every quarter and the time gap between two Board meeting was not more than 4 (Four) months. Board meetings were held on May 14, 2012, August 12, 2012, November 12, 2012, and February 14, 2013

Information provided to the Board

Regular updates were made available to the Board of Directors covering Business Operations, Finance, Sales, Accounts and Compliances and all the other important business issues. The Board spends considerable time in reviewing the actual performance of the Company.

Code of Conduct

The Board had prescribed the Code of Conduct for Board Members and Senior Management. The Code of Conduct has been posted on Company's website www.seya.in

Declaration by C.E.O

The Chairman and Managing Director of the Company has given certificate as below as per requirement or Clause 49 of listing Agreement:

**The Board of Director,
Seya Industries Ltd**

Dear Sir,

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct for the Directors and Senior Management in respect of the Year ended on March 31, 2013.

Sd/-

Ashok G Rajani
Chairman & Managing Director

Place: Mumbai

Date: August 14, 2013

4. AUDIT COMMITTEE ("the Committee")

The Audit Committee comprise of following three members:

Sr. No.	Name of the Member	Category	No. of meetings during the year	
			Held	Attended
1	Mr. Virendra Singh Khurana	Non-executive Independent Director	4	4
2	Mr. Ramnath Arora	Non-executive Independent Director	4	4
3	Mr. Ashok G Rajani	Executive Director	4	4

Mr. Virendra Singh Khurana is chairman of the Committee. Company Secretary of the Company is a Secretary to the Committee. All the members of the Committee are financially literate. The Statutory Auditors, Cost Auditors and Internal Auditors are regularly invited to attend the meeting of the Committee to discuss with the Directors, the Scope of Audit, their comments and recommendation on the accounts, records, risk internal procedures and internal controls of the Company and to discuss the Internal Audit reports. Minutes of the Committee are circulated to all the Directors and discussed at the Board Meeting.

The terms of reference of the Audit Committee cover all the areas mentioned under Section 292A of the Companies Act, 1956 read with clause 49(II) of the Listing agreement with the Stock Exchanges.

The broad terms of reference of the Audit committee are to review financial reporting process and all financial results and statements. Review the Internal audit reports and Internal control systems and procedures and discuss the same with the internal auditors. The Committee also looks into the matters related to the appointment and / removal of auditors (including cost auditors), change in accounting policies, reviewing with the management the performance of the Statutory Auditors, Internal Auditors and their remuneration.

The Committee has recommended to the Board the re-appointment of M/s. Jagiwala And Associates, Chartered Accountants, as the Statutory Auditors of the Company for the financial year ending on March 31, 2014, and that necessary resolution be placed before the shareholders.

The Committee has recommended to the Board the appointment of M/s. Hemant Shah & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year ending on March 31, 2014.

The Committee has also recommended the appointment of M/s. H. R. Joshi & Co., Chartered Accountants, as the Internal Auditor of the Company for the financial year ending on March 31, 2014.

5. SHAREHOLDER'S/INVESTOR'S GRIEVANCES COMMITTEE

The Shareholder's / Investor's Grievances Committee oversees redressal of shareholder and investors grievances, transfer / transmission of shares, issue of duplicate share certificates, recording dematerialisation / rematerialisation of shares and other related matters.

The said committee comprises of three members; namely, Mr. R. N. Arora, Mr. Ashok G Rajani and Mr. Virendra Singh Khurana. Mr. R.N. Arora is the Chairman of the committee. The Company Secretary acts as the Secretary to the said committee.

During the year, 2 (two) committee meetings were conducted and all the members were present at the aforesaid meetings.

During the year, 5 Complaints were received from the investors. All the complaints have been solved to the satisfaction of the complainant except for one complaint, which was pending at the end of the year because of non-receipt of the documents and proper communication from the complainant in spite of repeated reminder from the Company.

6. REMUNERATION COMMITTEE

Although it is non-mandatory requirement under Clause 49 of the Listing Agreement the Company has remuneration committee comprising three (3) Directors namely Mr. Ashok Rajani, Mr. Virendra Singh Khurana, and Mr. Ramnath Arora.

The Committee was incorporated with view to decide and recommend the remuneration of the executive directors, non-executive directors and other personnel at senior level management.

7. DISCLOSURES

- a. Details of transactions with any of the related parties as set out in Accounting Standard 18 of Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts. There is no transaction of a material nature with any of the related party, which was in conflict with the interest of the Company.
- b. No penalty / strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the Capital Market during the last three years.
- c. The Management Discussion and Analysis Report forms a part of the Director's Report.
- d. The Company does not have any subsidiary.
- e. There have been no public issues, right issues or other public offerings during the past five years. The Company has not issued any GDRs / ADRs or any convertible instruments.
- f. No pledge has been created over the equity shares held by the Promoters and/or Promoter Group as on March 31, 2013

The aggregate shareholding of the Promoters and persons belonging to the Promoter Group as on March 31, 2013 comprised of 78,67,300 equity shares of ₹ 10/- each representing 71.52% of the Paid-up Equity Share Capital of the company.

- g. Plant locations of the Company are give in the separate section of Company details in Annual Report.

8. GENERAL SHAREHOLDER INFORMATION

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999MH1990PLC058499

General Meeting Details

The 23rd Annual General Meeting (AGM) of the Company will be held on Wednesday, September 18, 2013 at 11:00 a.m. at registered office of the Company at T-14, MIDC, Tarapur Industrial Estate, Boisar, Distt. Thane - 401 506.

The Company convenes the AGM generally within six months of the close of the financial year. The details of the AGM held in last three years are given below:

Year	Date	Time	Place	No. of Special resolution passed at AGM
2009-10	September 22, 2010	11:30 a.m.	Registered office	One
2010-11	September 29, 2011	4:00 p.m.	Registered office	Two
2011-12	September 26, 2012	3:00 p.m.	Registered office	Two

- There was One Extra-ordinary General Meeting held during the last three financial year
- No resolution was passed through postal ballot during the year.

Compliances

I) Mandatory requirements

Company has fully complied with the applicable mandatory requirements of Clause 49 of the listing agreement executed with the Stock Exchanges.

II) Adoption of Non- Mandatory requirements

Although it is non-mandatory, the Board of the Company has constituted a remuneration committee. Details of the Committee have been provided under Section 'Remuneration Committee' of this report.

III) Auditor's Qualification of Financial Statement

Auditor's qualification stated in their Report on the accounts for the year under review is self-explanatory.

Auditor's Certificate on Corporate Governance

The Company has obtained a certificate from its Statutory Auditors certifying to its compliances with the provisions relating to Corporate Governance laid out in Clause 49 of the Listing Agreement executed with the Stock Exchanges. The certificate is annexed to the Directors' Report and the same will be sent to the Stock Exchanges along with the Annual Report to be filed by the company.

Book Closure Period

The register of members and share transfer Books of the Company shall remain closed from Monday, September 16, 2013 to Wednesday, September 18, 2013 both days inclusive.

Means of Communication

i. Quarterly results:

Quarterly results of the Company are published in 'Navshakti' and in 'The Free Press Journal' and are displayed on the Company's website 'www.seya.in'

ii. Website:

The Company's website (www.seya.in) contains separate section where shareholder's information is made available.

Financial Calendar for the year 2013-14

Financial Year	:	The next financial year of the Company will end on March 31, 2014
Board Meeting to be held in year 2013	:	April 11, 2013, May 17, 2013, May 28, 2013, June 26, 2013, August 2013*, November 2013*and January 2014*
Annual General Meeting	:	Annual General Meeting will be held on September 18, 2013. Annual General Meeting is normally held in the month of September every year.

* Tentative

Listing

At present, the Equity Shares of the Company are listed on the BSE Ltd. Ahmedabad Stock Exchange Ltd, Delhi Stock Exchange Ltd and Calcutta Stock Exchange Ltd. The Annual Listing fees for the year 2012-13 have been paid to the BSE Limited. However, with other stock exchanges the Company has not renewed the listing agreement so no listing fees are being paid to those stock exchanges.

Stock Codes

Bombay SE Code	524324
Ahmedabad SE Code	56490
Delhi SE Code	19313
Calcutta SE Code	29151

Stock Market Data

Not applicable as trading of shares of the Company is suspended by Stock Exchanges.

Distribution of Shareholding as on March 31, 2013

Distribution Range of shares	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	17,24,430	15.68	10,866	94.50
501-1000	2,73,500	2.49	329	2.86
1001-2000	2,08,810	1.90	138	1.20
2001-3000	1,26,200	1.15	50	0.44
3001-4000	59,400	0.54	17	0.15
4001-5000	1,46,500	1.33	30	0.24
5001-10000	2,26,360	2.06	29	0.25
> 10001	82,34,800	74.86	39	0.34

Outstanding GDRS/ADRS/Warrants or any convertible instruments

The Company neither issued GDRs / ADRs or any convertible securities.

Registrar & Transfer Agent

The Company has appointed M/s Universal Capital Securities Pvt. Ltd as its Registrar & Transfer Agent. Members are requested to correspond with the company's Registrar & Transfer Agent quoting their folio no. at the following address:-

M/s Universal Capital Securities Pvt. Ltd

21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400093.

Tel.: +91 (22) 28207203-05/28257641 Fax: +91 (22) 28207207

E-mail: info@uniseq.in

Share Transfer Process

Shares in physical form are processed by the Registrar and Share transfer agent within maximum of 30 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Executive Director and the Company Secretary have been severally empowered to approve transfers.

Dematerialization of Shares

At present the entire shareholding of the Company is in physical form. The Company is in the process of establishing connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) through its Registrar and Transfer Agent.

CEO/CFO CERTIFICATION

The Chairman and Managing Director has certified to the Board on the financial reporting and internal controls in terms of Clause 49 (v) of the Listing Agreement pertaining to CEO and CFO certification for the Financial Year ended March 31, 2013

The Board of Directors,
Seya Industries Ltd

Dear Sir,

I, Ashok G Rajani, Chairman & Managing Director, certify to the Board of Directors that:

- (a) I have reviewed the financial statements and cash flow statement for the year ended on March 31, 2013 and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I 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 financial reporting

Ashok G Rajani
Chairman & Managing Director

Date: August 14, 2013
Place: Mumbai

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE.

To
The Members
SEYA INDUSTRIES LTD

We have examined the compliance of Corporate Governance by SEYA INDUSTRIES LTD, for the financial year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of the 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 opinion on the financial statements 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 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 **JAGIWALA AND ASSOCIATES**
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.131003

YOGESH R. JAGIWALA
PARTNER
Membership no.: 016864

Date: August 14, 2013
Place: Mumbai