

***“A healthy relation grows and becomes strong when there exists transparency and trust.”***

**– Shri Ashok G Rajani**

We at **SEYA** are committed to adhere to the maximum transparency and accountability at all level in the organisation and in all transaction of the Company. Our strong belief is that we are what, are because of the stakeholders and there is no other way to build a strong relation & gain trust of stakeholders than to be transparent and accountable for all actions. We make sure that word “Corporate Governance” is practised in not just letter but at sprit as well.

All the 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.

#### **COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

At SEYA, the corporate governance is all about maintaining a valuable relationship and trust with all stakeholders. Stakeholders being partner in our success, we believe in maximising stakeholder value be it shareholders, employee, suppliers, investors, customers and society at large.

**SEYA** is always committed to the pursuit of excellence to achieve growth and long-term shareholders wealth creation, while at

transparent business practice which is driven by the ideas of pursuing excellence and modern ongoing research, have become a culture of the Company. 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, Employees and other stakeholders.

#### **BOARD OF DIRECTORS (“THE BOARD”)**

The Board comprised of 4 Directors during the period under review. The Managing Director and the Executive Director are the Whole-time Directors of the Company. The remaining are Non-Executive Independent Directors who possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Apart from receiving sitting fees, none of the Independent Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates. None of the Directors of the Company are inter-se related to each other.

#### **Composition**

During the period under review the Company has maintained optimum combination of Executive Directors and Non-Executive Directors.

The Board was comprised of 4 (Four) Directors, of which 2 (two) were Executive Directors, and Chairman being Executive Director, 50% of the Board consist of Non-executive Independent Director which is in conformity with clause 49(I) (A) (ii) of the Listing Agreement. Following table shows the Composition of Board during the period under review:

Name of the Director	No. of Meetings during the Year		Attended the Last AGM	No. of Directorship in other Public Companies	Member / Chairman of Committees other Public Companies
	Held	Attended			
<b>Mr. Ashok G Rajani</b> <i>Executive Director</i>	7	7	Yes	-	-
<b>Mr. Asit Kumar Bhowmik</b> <i>Executive Director</i>	7	7	Yes	-	-
<b>Mr. Virendra Singh Khurana</b> <i>Non-Executive Independent Director</i>	7	7	Yes	-	-
<b>Mr. Ramnath Arora</b> <i>Non-Executive Independent Director</i>	7	7	Yes	-	-

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,

#### **Note:**

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 Stake holder Relationship Committee
3. Mr. Ramnath Arora expired on March 4, 2014

## Appointment and Re-appointment

Details of the Directors seeking appointment / re-appointment at the AGM, pursuant to Clause 49 of the Listing Agreement, have been given along with the Notice of AGM.

## 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. Agenda for the Board meeting are finalised by the Chairman of the Board and Company secretary in consultation with other concerned Members of the senior management. Minutes of the Board meeting are circulated to all Directors and same is confirmed in the subsequent Board meeting.

## Board Procedure

Minimum four pre-scheduled meeting are held annually. Additionally board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or Urgency of matters resolutions are passed by circulations, which are confirmed in next board meeting. The meetings are usually held at corporate office of the Company at 502, Ghanshyam Chamber, B - 12, Off Link Road, Andheri (West), Mumbai – 400053.

## Meetings held

The Board met seven times on the following dates during the Financial Year (FY) 2013-14

April 11, 2013	May 17, 2013
May 28, 2013	June 26, 2013
August 14, 2013	November 12, 2013
February 12, 2014	

## Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the FY 2013-14 and at the AGM is given in above table (refer Composition of Board)

## Matters required to be placed before the Board

- Annual operating plans of businesses and budgets including capital budgets and any updates.
- Quarterly results of the Company and its operating
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of the Audit Committee and other committee
- Show cause, demand, prosecution notice and penalty notice which are materially important
- Disclosure of Director's interest and their shareholding
- Appointment of Key Managerial Personnel (KMP) and one level below KMP

- Appointment of Internal Auditor
- Formation / reconstitution of Board Committee
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service share transfer delays etc..
- Terms of reference of committee of Board.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Internal Audit findings and external Audit reports.
- Other regular updates are 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 has been circulated to Directors and Management. The Code of Conduct has been posted on Company's website www.seya.in. All the Board members and Senior Management of the Company as on March 31, 2014 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect is given below:

## DECLARATION BY C.E.O

The Board of Director,  
Seya Industries Ltd

Dear Sir(s),

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, 2014.

Sd/-

Ashok G Rajani  
Chairman & Managing Director  
Mumbai, August 14, 2014

## AUDIT & RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("the Committee") comprises of Mr. V S Khurana, Mr. Ramnath Arora and Mr. Ashok G Rajani. Company Secretary of the Company acts as the Secretary to the Committee.

## Composition and Attendance:

Name of the Member	No. of Meetings during the year	
	Held	Attended
Mr. Virendra Singh Khurana - NEID	4	4
Mr. Ramnath Arora* NEID	4	4
Mr. Ashok G Rajani – ED	4	4

\*He passed away on March 4, 2014

NEID - Non-Executive Independent Director  
ED – Executive Director

Mr. Virendra Singh Khurana is chairman of the Committee. All the members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal controls, etc. 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.

#### Terms of Reference

The terms of reference of the Committee cover all the areas mentioned under the Companies Act, 1956, Companies Act, 2013 read with clause 49(II) of the Listing agreement with the Stock Exchanges.

The broad terms of reference of the 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.

During the period under review the Committee has recommended to the Board the re-appointment statutory auditors, appointment of internal auditors, and Cost Auditors. The Committee has also reviewed key audit findings covering operational, financial and compliance areas and the risk mitigation plans were presented to the Committee.

#### Meetings held

The Committee met Four times on the following dates during the Financial Year (FY) 2013-14

May 28, 2013	August 14, 2013
November 12, 2013	February 12, 2014

#### STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In terms of Section 178(5) of the Companies Act, 2013, the Shareholders'/Investors' Grievance Committee was re-constituted and re-named as Stakeholders Relationship Committee on May 30, 2014.

#### Terms of Reference

- To look into redressal of investors' complaints and requests such as transfer of shares / debentures, non- receipt of dividend, annual report, etc.
- To resolve the grievances of the security holders of the Company.

#### Meetings held

During the period under review no need arose to conduct the meeting of the SRC.

#### Status of Investor Complaints

Neither there were outstanding complaints of investor at the beginning of the year nor any investor complaints received during the year.

#### Name, Designation & Address of Compliance Officer

Ms. Manisha Solanki  
Company Secretary  
Seya Industries Ltd  
502, Ghanshyam Chamber,  
B-12, Off Link Road, Andheri (West),  
Mumbai – 400053  
✉ corporate@seya.in

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by the Board on May 30, 2014 consequent to dissolution of the remuneration Committee.

#### Terms of Reference

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- To evaluate the performance of Directors including independent directors.
- To recommend remuneration of Managing Director and whole time directors of the Company
- To carry out any other function as is mandated by the Board from time to time.

#### Remuneration Policy

##### a. Managing Director and Executive Director

While deciding on the remuneration of the Managing / Executive Director, the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors are considered. The Board / Committee regularly keep track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review remuneration policy.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), to its Managing / Executive Director.

##### b. Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹5,000 for every Meeting of the Board attended.

#### Remuneration Paid (FY – 2013-14) ₹ in lakhs

Director	Salary
Mr. Ashok G Rajani – Managing Director	17.60
Mr. Asit Kumar Bhowmik – Executive Director	6.78

\* Includes perquisites and other allowances

## RISK MANAGEMENT

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Chapter of this Annual Report. The Company has established procedures to periodically place before the Audit & Risk Management Committee and the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary, hence disclosure under clause 49 of the listing agreement with respect to "material non-listed Indian subsidiaries" is not applicable.

## DISCLOSURES

### a. Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

### b. Related Party Transaction

During the financial year 2013-14, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

### c. Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI/ and Statutory Authority on all matters related to capital markets during the last three years. No penalty / strictures were imposed on the company by these authorities.

However, during the period under review BSE Limited has raised a query related to clause 41 of the listing agreement and the company has submitted its reply to the Stock Exchange which is accepted by the Exchange.

### d. CEO / CFO Certification

The Managing Director (CEO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2014.

### e. Management Discussion and Analysis

Management Discussion and Analysis report forms part of the Annual Report.

### f. Whistle blower Policy

The Company has adopted a Whistle Blower policy to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics

policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## 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) Non-Mandatory requirements

- The Company has setup a Nomination and Remuneration Committee.
- The Company has adopted whistle blower policy as mentioned above.

Company will consider adoption of other non-mandatory requirements as and when necessary.

### III) Auditor's Qualification of Financial Statement

During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

## MEANS OF COMMUNICATION

### i. Quarterly results

The quarterly results were published within 48 hours of the meeting for that quarter

Quarter ended	Date of Publishing
March 31, 2013	May 30, 2013
June 30, 2013	August 15, 2013
September 30, 2013	November 12, 2013
December 30, 2013	February 13, 2014

Quarterly results are published in Navshakti (Marathi) and in The Free Press Journal (English) and are displayed on 'www.seya.in'

### ii. Website

The Company's website (www.seya.in) is a comprehensive reference on SEYA's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investors' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, etc.

## SHAREHOLDER INFORMATION

### Company Registration Details

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

## General Meeting Details

The 24th Annual General Meeting (AGM) of the Company will be held on Saturday, September 27, 2014 at 11:00 a.m. at registered office of the Company. 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	Special resolution passed
2010-11	29-Sep-11	4:00 p.m.	Two
2011-12	26-Sep-12	3:00 p.m.	Two
2012-13	18-Sep-13	11:00 a.m.	One

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

## Book Closure Period

The register of members and share transfer books of the Company shall remain closed from Thursday, September 25, 2014 to Saturday, September 27, 2014 both days inclusive.

Financial Calendar for the year 2014-15:

Financial Year	:	The next financial year of the Company will end on March 31, 2015
Board Meeting to be held in year 2014-15	:	May 30, 2014, August 14, 2014, November 2014*and February 2015*
Annual General Meeting	:	Annual General Meeting will be held on September 27, 2014. 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 2013-14 have been paid to the BSE Limited.

## 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 is not re-instated yet. The Company is in process of initiating trading at stock exchange.

## Distribution of Shareholding as on March 31, 2014

Distribution Range of shares	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	17707730	15.53	10770	94.82
501-1000	265800	2.42	319	2.81
1001-2000	194310	1.77	129	1.14
2001-3000	119700	1.09	47	0.41
3001-4000	49900	0.45	14	0.12
4001-5000	122200	1.11	25	0.22
5001-10000	174760	1.59	23	0.20
> 10001	8365600	76.05	31	0.27

## Category of Shareholder as on March 31, 2014

Category	No. of Shares	Percentage
Promoter & Promoter Group	7867300	71.52
Individual Shareholders	2411100	21.92
Qualified Foreign Investor	416700	3.79
Bodies Corporate	302900	2.75
Financial Institutions	2000	0.02



## Plant Location

T-14, Tarapur Industrial Area, MIDC, Boisar, Dist. Thane – 401506

## Address for Correspondence

Seya Industries Ltd  
502, Ghanshyam Chamber, B-12, off Link Road  
Andheri (West), Mumbai – 400093.

## 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.

☎ +91 (22) 28207203-05/28257641 📠 +91 (22) 28207207

✉ info@unisec.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, who have been duly 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 Board of Directors,  
Seya Industries Ltd

Dear Sir,

I, Ashok G Rajani, Chairman & Managing Director, to the best of my knowledge and belief certify that:

- (a) I have reviewed the financial statements and cash flow statement for the year ended on March 31, 2014 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 the information provided to me, no transactions entered into by the Company during the year which are fraudulent, illegal or violate 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;
- (d) I have disclosed, based on my most recent evaluation, wherever applicable, to the company's auditors and through them to the Audit Committee of the Company's Board of Directors:
  - (i) 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. Significant changes, if any, in Internal control during the year;
  - (ii) Significant changes, if any, in accounting policies during the year; and
  - (iii) Instances of fraud, if any, in respect of which I have become aware of and that involves Management or other employees who have a significant role in the Company's Internal Control systems

### Ashok G Rajani

Chairman & Managing Director

Mumbai, August 14, 2014

### 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, 2014, 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 CO**  
Chartered Accountants  
ICAI FRN: 131184W

### Yogesh R Jagiwala

Partner

Membership no.: 016864

Mumbai, August 14, 2014