



# ANNUAL REPORT

## 2019-20

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As per the MCA Circular dtd May 05, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report for the Financial Year 2019-20 is being sent only through email to those Members whose email IDs are registered with the Company/ Depositories. Members may note that the notice of the AGM and Annual Report for the financial year 2019-20 will also be available on the company's website [www.seya.in](http://www.seya.in) the website of the stock exchange that is BSE limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

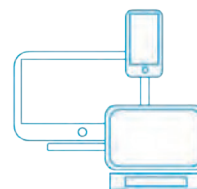
Those members who have still not register their e-mail IDs are requested to do so by writing to RTA at [info@uniseq.in](mailto:info@uniseq.in) or to the Company at [corporate@seya.in](mailto:corporate@seya.in)

For a healthy and Greener life.....

## Thirtieth Annual General Meeting

<b>Day &amp; Date</b>	:	Saturday, December 26, 2020
<b>Time</b>	:	11:00 a.m.
<b>Venue</b>	:	T-13/T-14, MIDC Tarapur, Boisar, Palghar, Maharashtra – 401506
<b>Book Closure</b>	:	Sunday, December 20, 2020 to Saturday, December 26, 2020 (both day inclusive)

**FORWARD-LOOKING STATEMENTS:** Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and even in accurate assumptions. Should know or unknown risk or uncertainties materialised or should underline assumption proved inaccurate; our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publically update any forward-looking statements, whether as a result of new information, future events or otherwise.



**[www.seya.in](http://www.seya.in)**

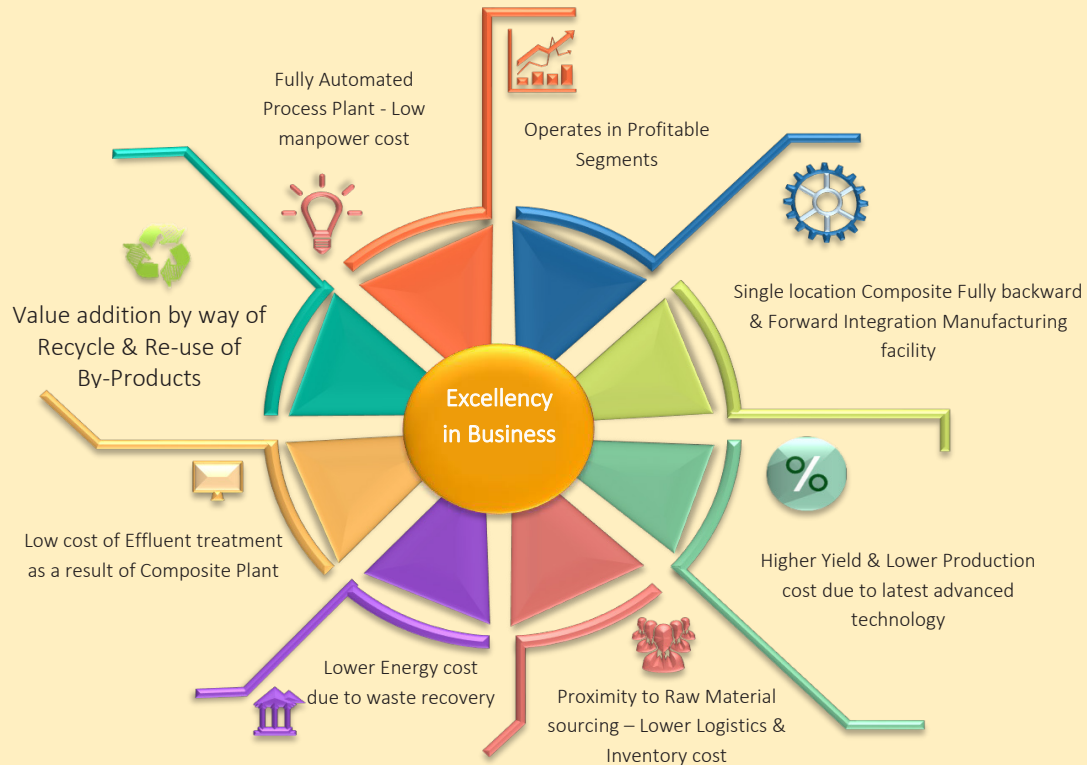
Visit Company's official website to download this Annual Report

# CORPORATE INFORMATION

<b>Board of Directors</b>	<div>Mr. Ashok G Rajani</div> <div>Chairman &amp; Managing Director</div> <div>Mr. Asit Kumar Bhowmik</div> <div>Executive Director</div> <div>Mr. Siva Prasad Rao Buddi</div> <div>Additional Director (Executive)</div> <div>Ms. Kalpana Tirpude</div> <div>Non-Executive Independent Director</div> <div>Mr. Ronen Joshi</div> <div>Additional Director (Non-Executive Independent)</div> <div>Mr. Amit Chandrakant Pandya</div> <div>Additional Director ( Non-Executive Independent)</div>
<b>Chief Financial Officer</b>	<div>Mr. Amrit Rajani</div>
<b>Company Secretary &amp; Compliance officer</b>	<div>Ms. Manisha Solanki</div>
<b>Statutory Auditors</b>	<div>M/s. Anil Chauhan &amp; Associates</div>
<b>Bankers</b>	<div>Central Bank of India</div> <div>Bank of Baroda</div> <div>Indian Bank</div> <div>Canara Bank</div> <div>IFCI Ltd</div>
<b>Registrar &amp; Transfer Agent</b>	<div>Universal Capital Securities Pvt Ltd</div> <div>Mumbai</div>
<b>Registered Office &amp; Plant</b>	<div>T-14, MIDC, Tarapur Industrial Area,</div> <div>Boisar, Palghar – 401506, Maharashtra</div>
<b>Corporate office</b>	<div>B-12, Ghanshyam Chamber, Link Road,</div> <div>Andheri West, Mumbai - 400053</div>

# Seya at a Glance

Seya is an emerging leader in benzene-based Specialty Chemical manufacturer and always thrive to create value for all its stakeholders through integration. We are completely backward and forward integrated across the benzene value chain at a single location. We are also one of the low-cost producers. The integrated business model has helped tap potential values across every product manufactured during the process. Our continuous focus on Research & Development towards new product development and its application has allowed us to establish a strong presence across the benzene value-added chain.



## INDUSTRIES SERVED . . .



**Paints & Coatings**



**Agriculture**



**Printing Ink**



**Textiles**



**Pharma**



**Personal Care**

## COMPETITIVE EDGE . . .

### Quality

Un-matched Purity > 99.95% +

### Human Capital

>100 + Talented & Skilled Employees having Engg. Background

### Technology Driven

Fully Automated, Cutting-Edge German | Swiss Technology driven Manufacturing Plants

### Trust

>70% Revenues from Customers > 5yr Old

### Global Scale Manufacturing

>70% Revenues from Products with Largest Installed Capacity in the world at single location

### International Norms - compliant

Strict compliance to Pollution Control norms with Internationally compliant Eco-friendly Manufacturing processes

### Integration

Full Backward & Forward Integrated Mfg. facilities at one location

### Technocrat Promoters

1<sup>st</sup> Gen. Technocrat Promoters with Sound Entrepreneurial Skills & Chem. Engg. Background

### Process Capabilities

From Kilo Labs to '000s of Tons with Recycle & Reuse of By-Products.



**9001:2015**



**18001:2007**



**14001:2015**

## WHAT DRIVES US . . .

**Our Vision**

To emerge as a Fully Integrated Global producer of Speciality Chemicals

**Our Mission**

To offer best quality Products at a Competitive Prices with timely delivery to the satisfaction of customers

**Our Values**

Exemplary Character, Quality Work, Safety

**Cutting-Edge Mfg. Technology**

Latest State-of-Art cutting edge fully automated German | Swiss Technology driven manufacturing processes

**Continuous Process Upgradation**

Continuous Process upgradation & R&D spines lowest manufacturing cost, Highest Quality & Reduced cycle-time

**Customer Satisfaction**

On-time delivery of Highest Quality Product at lowest cost

**Integrity**

Products developed for Customers under confidential contract

**Financial Discipline & Performance Audit**

Ensures Operational Excellence, monitoring, Control & Goal achievement

**Energy Mgmt. | Conserv. | Recovery**

Lowest Production Cost | Conserves natural resources | Reduces CO<sub>2</sub> emissions

**Safety | Health | Environment**

Responsible Care for Safety Health & Environment of People, Property & Plant

## Value Creation . . .

**For Customers**

Highest Quality customised Products for Customers to add value to their Business

**For Nation**

Compliance to all Regulatory norms and contribution to Govt. treasury

**For Employees**

Efficient & diversified workforce empowered by rewarding career goals

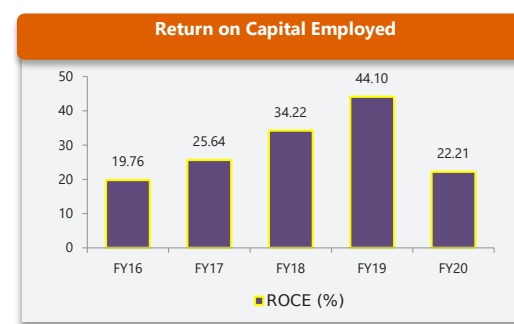
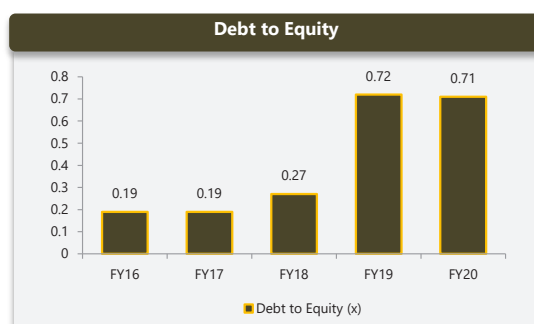
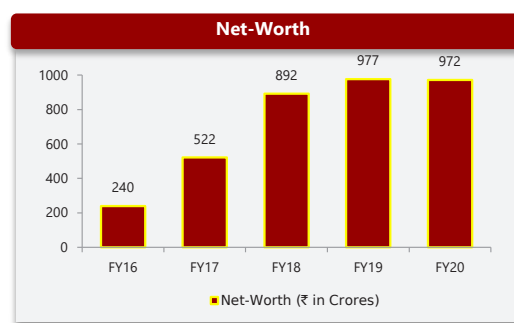
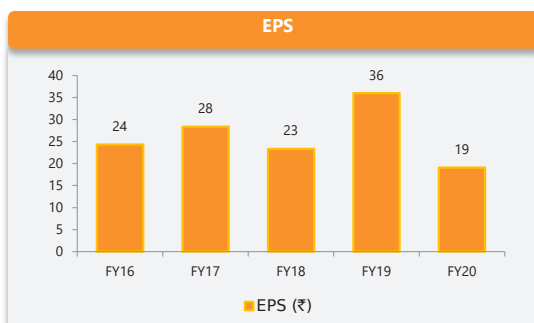
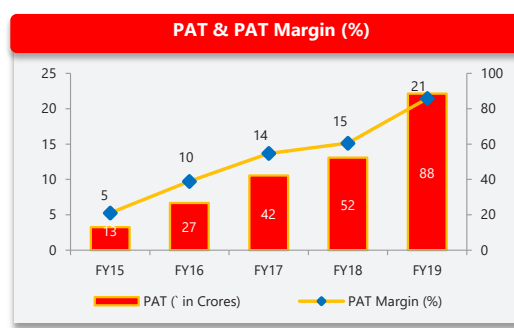
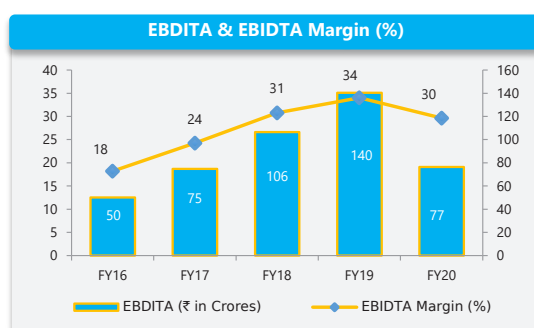
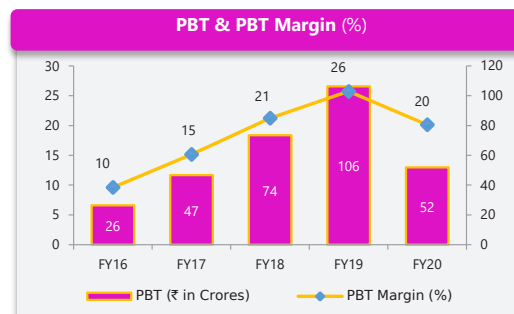
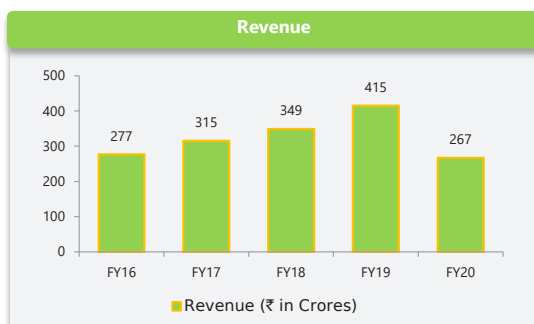
**For Community & Society**

Sustainable contribution and Value Creation for Community & Society

## OUR GROWTH ASSETS . . .



## FINANCIAL HIGHLIGHTS...



## FROM CHAIRMAN'S DESK

**“We must accept-finite disappointment, but never lose infinite hope. Miracles start to happen when you give as much energy to your dreams as you do to your fears.”**

*- Martin Luther King Jr*

### Dear Shareholders,

My warm greetings to all of you!

I hope that you and your loved ones are safe and coping adequately with the tremendous upheaval in your lives in the wake of the global pandemic caused by COVID-19. The world woke up to this threat in Q4 of FY 2019-20 and the rapid rise of infections and related deaths worldwide has led to disruption on an unprecedented scale and dimension. While the world is racing to contain the spread, treat the infected, and find a vaccine; the social, psychological and economic fallout of this pandemic is expected to be felt long and wide. What is driving us through these trying times is hope. It is the hope that things will get better, safer and as near normal as possible.

We are indeed living through very unusual times and your Company has faced the challenge of Covid-19. At this point of time, all our plants are operational. I take this opportunity to extend my deepest gratitude to each and every member of the Seya family for their resilience and agility in ensuring we keep our operations running and doing all that we can to respond effectively to the COVID-19 pandemic. We are determined to work as a team across the industry to harness our know-how, experience and expertise to combat this evolving crisis and emerge stronger as we come out of this challenge. Our approach to the pandemic was centred around four key actions of:

1. Safety of our employees, communities, partners and assets
2. Rapid pivot to digital to ensure business continuity
3. Conservation of cash through cost control, working capital and capex reduction
4. Ensuring continuous support to our customers and supply chain partners.

### Economic Environment

FY 2019-20 was an extremely challenging year for the global economy and was marked by multiple upheavals. Trade conflicts, political uncertainties, heightened volatility in commodity prices with some never before seen developments with respect to crude oil, protectionism etc. Towards the end of the fiscal, unprecedented impact was witnessed from the global spread of the COVID-19, which caused turmoil across markets worldwide. The pandemic has unfolded with alarming magnitude and the severity of the health and economic crisis is incomparable to any event in recent

memory. Government enforced border controls and lockdowns of varied durations across multiple countries have impacted economic operations around the world. However, even as Governments around the world deploy fiscal and monetary stimulus in order to successfully resuscitate demand, it is believed that the second and third order effects of the pandemic may limit the pace of recovery.

In Fiscal 2019-20, the Indian Economy was benefiting from lower interest rates, witnessed benign inflation, improved liquidity and was on course to witness improved tax collections. Towards the second half of the fiscal, India began to witness early signs of an uptick in business activities signalling return of momentum to Asia's third-largest economy in consonance with the global economy. India was on a relative growth trajectory, with the strengthening of the agrarian space, corporate and income tax rate cuts, narrowing trade deficit and increasing foreign investments. The positive outcome of this was expected to translate into increased consumer demand and private investments, which had been slacking for a while. However, those were short lived as the pandemic has derailed the prospects for higher economic growth in the short term. The pace of recovery is currently uncertain as the country is yet unwinding from the lockdown and the medium to long term outlook is opaque at every level.



The chemical industry in India has been actively gaining global market share in recent years and has been a beacon of hope. Leading players have demonstrated intent to scale up, diversify offerings and plough earnings back into the business by pursuing

innovation and sophistication. Looking towards an optimistic future, India's chemical industry is set for sustained growth receiving impetus with capital investment and affirmative Government policies.

### Resilience in Adversity

FY 2019-20, saw a challenging business environment with lower GDP growth and slowdown in consumption. Our business was impacted by global economic weakness in few end-user segments, weakening consumer sentiment, slow demand in some large usage verticals, sharp volatility in the prices of key raw materials and currencies and finally, the COVID-19 pandemic. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. However, I am pleased to inform you that despite such exceptional business conditions, your Company has delivered competitive and profitable performance. We recorded a Sales Turnover of ₹ 258.19 Cr and PAT of ₹ 47.01 Cr despite declining revenues resulting from weakened raw material prices, benefits of which are passed on to the Customers, shortage of Nitric acid, effluent disposal and water scarcity which impacted our operations and performance. We implemented our Business Continuity Plan aimed at ensuring health and protection to all our employees while adhering to the guidelines provided by the Government authorities. Manufacturing activities commenced from mid - May 2020 in a phased manner, based on approvals from local authorities. Well-being of our employees and safety of our manufacturing sites were given paramount importance. Given the developments with regard to the COVID-19 pandemic and its fallout, the Board prudently decided to conserve cash for the quarters ahead.

### Opportunities

China, which accounts for about 20% of global speciality chemicals revenues, has tightened environmental standards, resulting in the closure or shifting of capacities in about 50 chemical manufacturing clusters. The increased labour costs and the COVID-19 pandemic have aggravated the situation further as companies seek to reduce their dependence on China and source alternative suppliers. The continuation of US-China trade war and a resultant increase in tariffs could have negative implications for its trade and subsequently the domestic capacity and production in China. All these factors are pushing the Capex and Opex costs upwards, making Chinese chemical companies less competitive in the export market. Such situation in China is expected to favor Indian producers. Seya, with its integrated value chain and diversified product mix, strong technical capabilities, robust track record and cost-efficient operations, forms an ideal fit for entities looking for alternate supplier independent of China. Our teams are working with various existing and prospective Indian and global players on multiple such opportunities.

### Responsible Care

As a signatory of Responsible Care to the current paradigm change, we remain ardent to our duties and responsibilities. These include creating a safe working environment, adhering to the best management practices and embedding sustainability into our facilities. We have dedicated our Strategic Business Units to ensure sustainable manufacturing and adhering to all the safety norms and standards. The Company is committed towards responsible chemistry while conserving environment, safeguarding our employees & customers and taking care of the welfare of the community. We shall be investing into further reducing environmental impact with a focus on 'value from waste'. Either directly, or indirectly, we continue to support society around us. Our approach to environmental preservation evolves with advancements in science, technology and best practices. We continue our efforts to reduce our carbon and water footprint, and waste, and innovate to address the challenges posed by climate change.

I would like to take this opportunity to reiterate that your Company stands united with the nation during this challenging phase of COVID-19. As a responsible corporate citizen, we adhered to the Government guidelines that were issued during different phases of the Covid-19 induced lockdown to contain the spread of the virus. With the slow and gradual upliftment of regulations, the reopening of plants in different sectors, is likely to lead to a gradual recovery.

The Company's fundamentals are intact to support the strong growth prospects. Your Company believes that committed and qualified teams are the key to contribute towards a sustainable future. Rooted in Values is our Integrity, Understanding, Unity, and Responsibility. I must take this opportunity to congratulate and express my appreciation to the human assets of Seya. My dear shareholders your support gave SEYA Incredible strength which can't be explained in words. Your belief and confidence in the company and its management helped SEYA to achieve what it has achieved today. We resolute to remain committed to significantly keep enhancing value of our stakeholders.

My fellow board members, customers, vendors and other stakeholders without your support and encouragement SEYA's growth story is incomplete. In conclusion, I will reiterate the words of Martin Luther King Jr. who said, "We must accept finite disappointment, but never lose infinite hope. Miracles start to happen when you give as much energy to your dreams as you do to your fears."

There is enough reason to hope for the better, and that is backed by a focused strategy and a plan of action.

We will overcome! Best Wishes!

### ASHOK G RAJANI

Chairman & Managing Director

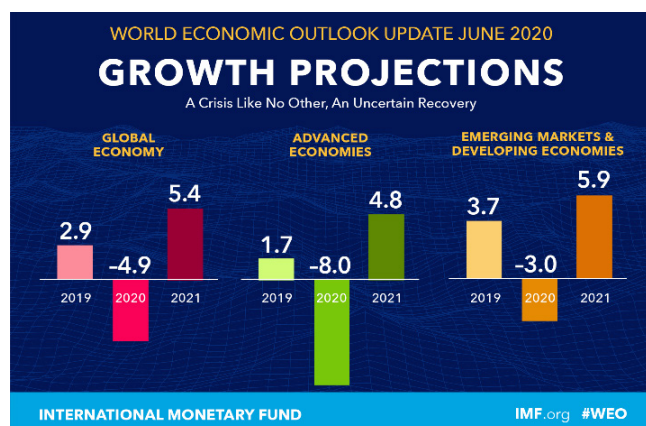
# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS ENVIRONMENT

### Global

The year in retrospect was a challenging year for the global economy, recording its lowest growth of the decade at 2.4%, as an outcome of protracted trade disputes, reverse globalisation and a slowdown in the domestic investments. The widespread weakness in global trade and investments affected advanced markets such as the European markets as well as the emerging markets and developing economies. Manufacturing activities across the globe slowed down significantly and just as there were signs of stabilization of manufacturing output at lower levels, at the turn of the decade, the outbreak of COVID-19 led to economic disruption on an unprecedented scale.

USA-China bilateral negotiations had helped to de-escalate trade tensions to an extent, UK continued to struggle with Brexit related challenges while other major economies like the European region, Japan and China faced intermittent deceleration, adding to the slowdown in the pace of global growth. Even as nations were coming to terms with slowing growth, a new threat emerged with the spread of the coronavirus pandemic, which is expected to cost the global economy \$ 2.7 trillion and is likely to push the global economy into a recession while undoing a large proportion of economic gains achieved over the last decade.



One of the most dramatic developments in the last 30 years has been the soaring consumption in Asia and its integration into global trade, capital, talent and innovation. The Emerging Asia's GDP growth is expected to significantly weaken from 5.5% in 2019 to 1.0% in 2020 in-line with the global weakness mainly caused due to COVID-19 pandemic. Yet, the long term structural drivers remain intact. Asia is making significant economic progress and rapid strides in human development in terms of life span, literacy and even internet usage and lifestyle standards.

As a silver lining, Governments of all countries have taken strong and bold measures to brace their economies from the expected impact of the Corona Virus. USA started off by rate cuts and infusing more than USD 1.5 Trillion into the financial system in an effort to calm the market turmoil after Wall Street suffered its worst day since the 1987 market crash.

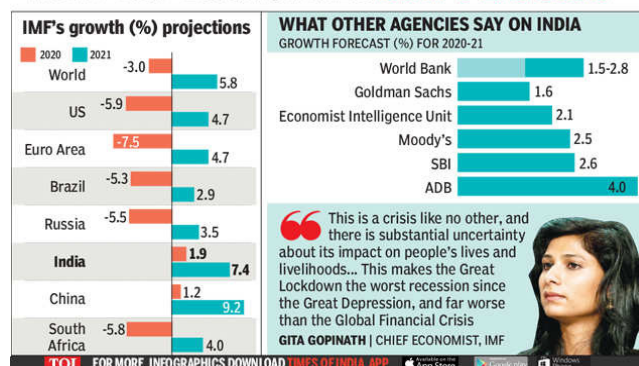
As the pandemic situation continues to unfold, with containment measures resulting in significant loss in output. An estimated 170 countries will witness a negative per capita income, with many facing overlapping crises, including healthcare issues, a weakened economy, low external demand, capital outflows and commodity market declines. That being said, risks to forecasts remain on the downside and any recovery will depend on the pace at which the pandemic subsides and economic activities normalise.

### Domestic

India's long-term growth potential remains intact. The government announced an economic stimulus package of ₹ 20 lakh crores, or 10% of GDP, in May 2020 to stabilize and revive the economy. Further, various other steps are being taken by the government to boost the economy. Prior to this slowdown, India's GDP had been growing at a five-year average of 7.5%. Several key macroeconomic indicators, including fiscal deficit, current account deficit and inflation, had reached very comfortable levels. India's ranking on the Ease of Doing Business improved to 63 in 2019 from 77 in 2018 and 142 in 2014, a record jump for any major global economy. Several structural reforms, a vibrant business environment and a relatively stable currency attracted foreign investors. Weak performance by the manufacturing and construction sectors and slower credit growth and continued asset quality stress in the financial sector are largely responsible for the slowdown. Sluggish economic growth and tighter credit conditions in the non-banking sector have led to a substantial weakening of domestic demand.

Looking at FY 2020-21, the initial momentum appears tapered owing to lockdown imposed by the Government to inhibit the spread of novel coronavirus (COVID-19). Before the lockdown, IMF and Moody's reduced the growth forecasts for India to 4.8% and 5.3% respectively, from 6.1% and 5.4% projected earlier. While this could be further reduced since the lockdown included full closure of all nonessential services, industries like manufacturing, transport, retail, leisure and recreation, which constitute a substantial component of India's GDP will be halted for a while. For several decades, consumption has been the bedrock of India's growth story. With it expected to be significantly impacted due to the pandemic, it will undoubtedly have a multiplier effect across the Indian Economy. Once the effects of the pandemic wanes, the Indian economy is anticipated to return to its growth trajectory relying on significant policy reforms

## HOW TOP ECONOMIES MAY PERFORM



## CHEMICAL INDUSTRY OVERVIEW AND OUTLOOK

### Global

The chemical industry has been an integral part of the global economic landscape for many centuries. The industry has evolved to become a bastion of productivity that permeates through nearly every goods-producing sector. Today, the chemical industry plays a crucial role in regional economies in every corner of the world and in most sectors of those economies. The industry experienced a slowdown in CY 2019, primarily due to escalating global trade tensions and a weakening economy impacting the chemical demand. The trade war led to a fluctuation in price across the global chemical market. Additionally, the industry was also affected by the weakening automotive markets and the uncertainty caused by Brexit. Despite worsening economic conditions and political tensions, sustainability has been a priority for the chemicals industry in CY 2019. The demand for eco-friendly and sustainable chemical continued to increase with companies across

sectors adopting measures to reduce their environmental footprint and ensuring supply and manufacturing of eco-friendly products. The outbreak of Covid-19 led to production stoppage and slowed consumer demand significantly, resulting in a negative impact on the industry. However, as the effect of the pandemic fades and businesses resume, pickup in consumer confidence and demand is expected to improve sentiments in the near future.

### Domestic

Over the past ten years, the Indian chemical industry has clocked a CAGR of over 10%. This growth is the testimony of structural advantage, diversified industry, promising export potential and high domestic consumption. Slowly and gradually, India is emerging as a preferred choice for chemical products, as domestic players are addressing environmental issues through adoption of best global practices and by staying committed towards sustainability programs. These augur well for the country as it already enjoys the advantage of cheap labour and easy availability of raw material. Going forward, in the near term, the Covid-19 landscape is bound to bring some volatility in the market. But, in longer term, the industry is expected to register a growth of 13-14% over the next 5 years owing to growth of strong intellectual property regime and infrastructure development.

The sector has been witnessing tailwinds with India emerging as an alternative supplier to China, for key raw materials and components. Indian manufacturers have been capitalizing on these opportunities and have set up additional capacities to cater to rising demand. The upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector in India. The chemical industry in India is positioned to capitalize on near term opportunities.



The focus on petrochemicals in India might increase due to the interest of global oil and gas majors on downstream chemical opportunities. This would also lead to higher investment in the sector, which could ease feedstock challenges and boost self-sufficiency. China's chemical industry is facing challenges due to stricter environmental norms, leading to structural changes in the industry. These shifts would cause uncertainty for international players that source chemicals from China and could create opportunities for the Indian chemical industry. There have been shifts in global supply chains due to trade conflicts around the world, especially among China, the United States and Western Europe. This has affected bilateral trade between China and the U.S., with possible repercussions for other economies. In this scenario, large chemical markets that remain accessible, could present opportunities for the chemical industry in India. Many companies, worldwide, are embracing digital technology and enhancing their production techniques. Digital technology has established itself as a lever to enhance efficiency and productivity. Indian companies could also tap into this opportunity to expand their profit margins.

The shift in production and consumption pattern towards Asian and South East Asian countries in all sectors is leading to increasing demand for Chemicals and Petrochemicals. The combination of domestic consumption and export growth has made it viable to locate manufacturing operations in India thereby enhancing India's contribution to the Global chemical industry. The uncertainty in global trade caused by the US-China trade conflict and the changing structure of China's chemical industry are expected to open

doors for the Indian chemical industry. Despite industry-specific challenges, rising domestic demand in chemical end-use sectors such as agriculture, consumer and retail, infrastructure, auto and electronics and healthcare is increasing the attractiveness of India as a manufacturing destination and India's steadily improving 'Ease of Doing Business' ranking could further elevate its position as the epicenter of chemical manufacturing in Asia, in the long run.

### SPECIALTY CHEMICAL INDUSTRY

#### Global

Chemical industry constitutes of 80% of specialty chemicals and 20% of other chemicals. Specialty chemicals are low volume and high value products that are sold on the basis of their quality and utility. Specialty Chemicals are known for end-use performance enhancing applications rather than their composition. They are recognised for "what they do" rather than "what they are" as in the case of basic chemicals. They provide solutions to customer applications, are knowledge-based and are known to deliver more financial returns as compared to basic chemicals. They are a blend of base chemicals and sold on the basis of their quality or utility, rather than product composition or brand. They are relatively high value, but low volume chemicals as compared with basic chemicals or commodity chemicals. In the specialty chemical sector, the focus is on value-addition to end product and technical specifications of the chemical. Since specialty chemicals are mainly used to add value to the finished product, they are primarily sold on a B2B (Business to Business) basis. Specialty chemicals can be further divided into various sub-segments on the basis of end-use applications. The major sub-segments are 1) Agrochemicals, 2) Colourants, 3) Construction chemicals, 4) Flavours & Fragrances, 5) Paints & Coatings, 6) Personal care, 7) Polymer & additives, 8) Surfactants, 9) Textile chemicals, and 10) Water treatment chemicals.

Driven by innovation and expanding usage in several emerging areas, production and consumption of specialty chemicals were initially concentrated in developed regions like North America, Western Europe and Japan. With trade liberalisation, technology transfer and rapid economic growth, the industry began proliferating in developing economies. China emerged as a leading producer of specialty chemicals, aided by easy availability of raw materials/feedstock, cheap labour and capital, sizable end-use market and government support. However, with increasing focus on safety, health and environment stipulations worldwide, stricter enforcement led to disruptions in the supply chain that was substantially dependent on China. Further, the relative strength of the Chinese currency, rising labour costs and reduction of government subsidies eroded the comparative advantage. The Chinese government is also promoting consolidation in the industry to shift away from high-polluting, lower-end segments.

#### Domestic

With supply chain disruption and uncertainty in China, global players are looking at diversifying their sourcing and India offers a strong alternative with comparable scale, technology, raw materials and supportive government policies. Ever since China's chemical plant shutdown, owing to violation of environmental norms, Indian specialty companies have seen their fortune turn. Domestic companies have spent vital amount of money to comply with regulatory norms which has helped them gain market share. This increased their utilisation level, economies of scale and improved margins. Further, to meet the rising demand, the Indian Specialty Chemical industry also spent a decent Capex to build a world-class facility and move up the value chain at a rapid pace. This capital spending is likely to decrease the nation's chemical import bill. Indian specialty market looks promising, as the Chinese counterparts lose the power of better pricing due to rising environmental cost factor. This pace is expected to spur as Indians consume more food, wear more clothes and buy plastic.

The industry serves both the local market and the global market. The critical success factors for most of the specialty chemical segments

include understanding of customer needs and product/application development to meet the same at a favourable price-performance ratio. Global firms are gradually facing the heat of compliance, cost and capacity issues in other markets, especially China, and are thus looking to outsource their manufacturing processes to India. The structural shift towards Indian speciality chemical players is ably supported by the Government in the form of a robust patent framework, the presence of appropriate regulations to protect intellectual capital, improvement in infrastructure and thrusts to promote investments in R&D, as well as green technologies and a rich pool of knowledge workers.

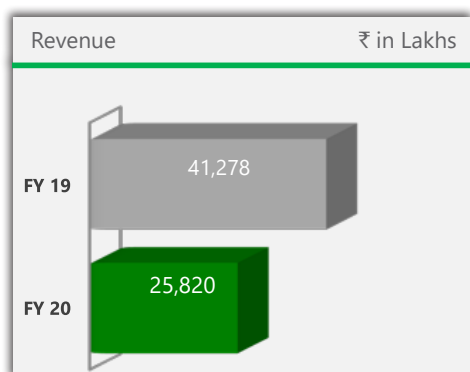
India has remained in China's shadow for a long time in the global chemical speciality market. However, gradually it is emerging out of with its own structural benefits and the spill-over effect of China's declining competitiveness. The factors driving the growth of the speciality chemicals market include large base of end-use industries, high demand from Asia-Pacific, increasing demand from automotive industry, and technological advancements. Over and above, faster end-use industry growth, low penetration of speciality chemicals in India will support growth. Exponential growth expectations led by favourable macro-economic factors in pharmaceutical, personal and home care products also presents a humungous growth opportunity for associated speciality chemicals manufacturers.

## COMPANY OVERVIEW

SEYA INDUSTRIES LTD, a Company, promoted by Technocrats, is engaged in manufacturing of Specialty chemicals at its state of the art manufacturing facilities in MIDC Tarapur, Boisar a notified chemical manufacturing zone 90kms from Mumbai which have wide spectrum of applications in the manufacture of Pharmaceuticals (like Paracetamol, floxacins, etc), Personal & Health Care Products (like Hair dyes), Printing Inks & Paints (used in Laser/Ink jet Printers, for Road markings, etc), Agrochemicals (like DDT, etc) Insecticides/ Pesticides (like Quinalphos, Mortein, Baygon, etc), Rubber chemicals (for Leather protection), Textile dyes, Thermic fluids (used as heating medium), etc. The company's strength lies in its wide product offerings, ability to adapt to new markets and being environmentally friendly.

In the past few years, your company has emerged as most competitive and low-cost, Leading producer of Benzene based Specialty Chemicals with complete backward and forward integration across Benzene value chain. Your Company's established and long standing customer relationships, with multi-product and multi-industry approach, state-of-art manufacturing practices, high quality standards, timely delivery, compliance to regulations, Extensively backward and forward Integrated Global Scale technological driven operations, efficient utilization and re-use of its By-products, well-diversified product portfolio and continued focus in expanding business in newer horizon's has resulted significant growth in operations in last ten years.

## FINANCIAL PERFORMANCE



**Net Sales** during the year was ₹25,820 lakhs as compared to ₹41,278 Lakhs in PY, reporting a decrease by **37.4%** on account of decrease in Average Unit Realisation of the Products sold due to resumption Chinese supply, Lower sales volume and capacity utilisation on account of shortage of Nitric Acid & water and restricted effluent discharge permitted by Pollution control authorities as per NGT(National Green Tribunal) directives in MIDC Tarapur due to pending implementation of expanded CETP in MIDC Tarapur in which the manufacturing facilities are located. The prices of crude oil and related petrochemical intermediates, which form an important source of raw materials for your Company and which govern the Selling Prices of the Products also marginally decreased.

## COVID-19 Situation

The Operations of the Company have been severely impacted due to the Covid -19 pandemic. The Government of India declared a nationwide lockdown w.e.f. 24 March, 2020 and hence the manufacturing operations of the Company were halted during the quarter. Upon obtaining necessary permissions from the concerned authorities and after taking all safety measures as prescribed in the said permissions, though the Company have resumed operations in a phased-wise manner, several International and State governments continue to restrict distribution operations which impact the Company's operations. As a result, the revenues were materially impacted during this period. Subsequent to the year end, the Company has received notices of Force Majeure from certain suppliers and customers and similarly the Company has also issued notices of Force Majeure to customers and suppliers. However, based on the preliminary legal evaluation of these notices, the Management does not anticipate any material economic outflow of resources which would impact its cash position and the carrying value of its assets. The Company however continued to incur committed expenditure with respect to its Employees, Plant related expenditures and Other expenditures. This has significantly impacted the profitability. Covid-19 has also had a significant impact on its customers and their ability to meet their committed obligations. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable. The Management in process of evaluating the possible effects if any that may result from COVID-19 pandemic on the carrying amounts of Trade receivables and Inventories. In developing the assumptions and estimates relating to the uncertainties as at the balance Sheet date in relation to the recoverable amounts of these assets, the management has used internal and external sources of information to the extent determined by it. The Impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Management will continue to closely monitor the developments.

We have taken several actions to mitigate the effect of Covid-19 on our business. We have taken steps to reduce our unit costs and increase our liquidity by making our operations more efficient and nimbler, putting on hold discretionary expenses, deferring certain capital expenditures, etc. In order to sustain operations, we also had to take actions to cut employee costs through pay cuts, leave without pay and reduction in workforce. We are ramping up our operations in a phased manner, subject to Government directions. The unprecedented nature of the pandemic makes the future business environment uncertain, however, we will continue to carry out the impact assessment on our assets and closely monitor any material changes to future economic conditions.

₹ in Lakhs

	FY 20	FY 19	Change	% Change
Revenue from Operations	25,820	41,278	(15,458)	37.4%

### Segment Revenue

Your Company has been focusing only on Specialty Chemical segment end-users with higher profitability, higher volumes, stable and increasing demand thereby resulting almost 100% revenues from the segment, hence segment wise analysis in accordance with IND-AS 108 is not applicable.

Due to the differentiation from standardised products, the products manufactured by your company are customised as per specific customer requirements and enjoy higher value. The shift towards higher contribution products in the overall product mix and traction from newly introduced products has been instrumental in the sustainable performance of this segment. Your Company demonstrated its versatility, adaptability and dynamism by focusing on Specialty Chemical segment thereby and maintaining profitable operation performance despite adverse economic environment.

### Capital Employed

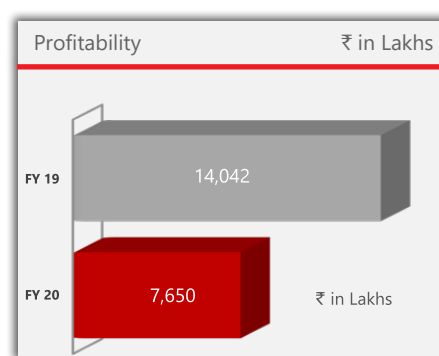
₹ in Lakhs

Particulars	FY-20
<b>Gross Block</b>	<b>87,010</b>
<i>Less: Adjustment as per IND-AS 16 w.r.t. representation of Fair market value of Land</i>	<i>(31,421)</i>
<b>Adjusted Gross Block:</b>	<b>55,589</b>
<b>Capital Employed in Manufacturing operations</b>	<b>34,449</b>
Un-employed Capital (Land for future expansion)	21,140

### Profitability

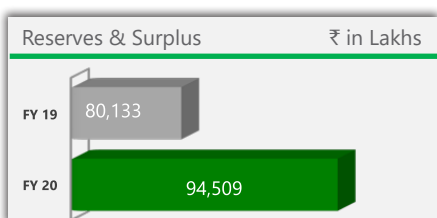
EBITDA for FY20 was lower by 45.52% at ₹ 7,650 lakhs compared to ₹ 14,042 lakhs in PY. The decline in EBITDA was due to normalisation of Sales prices of products which had spiked up due to closure of competing Chinese producers and their resumption of supplies during FY20, lower sales volume and capacity utilisation on account of shortage of Nitric acid(critical raw material) and water(critical utility) and imposition of restricted Effluent discharge(than what is permitted as per Sanction) by Pollution control authorities due to NGT directives. The spread in key products normalised due to resumption of Capacities from China however your Company, due to its favourable product mix, efficiency gains and better realisations across key products, achieved sustained and above normal profitable performance.

**Profit before Tax (PBT)** was at ₹ 5,197 lakhs compared to ₹ 10,624 lakhs in PY. **Profit after Tax (PAT)** was at ₹ 4,702 lakhs in FY20 compared to ₹ 8,849 lakhs in PY19 despite the above challenges. Your Company was able to maintain its trend of sustained profitability on vertebrae of value-added products.



₹ in Lakhs

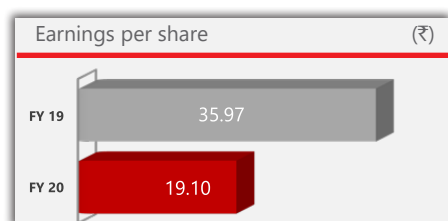
	FY 20	FY 19	Change	% Change
Earnings before Interest, Depreciation & Tax	7,650	14,042	(6,392)	45.5%
Profit Before Tax	5,197	10,624	(5,427)	51.1%
Profit After Tax	4,702	8,849	(4,147)	46.9%



During the period under review, there has been no transfer to the general reserve. There has been addition in the Securities Premium Reserve on account of Issue of 19,70,540 Compulsorily Convertible Preference Shares of Face Value of ₹ 10/- each at a Premium of ₹ 513/- each. There has been transfer from the Other Reserves to Capital Redemption Reserve on account of redemption of Non-Convertible Redeemable Preference Shares of Rs. 15,126.17 Lakhs. Total reserves and surplus increased by a 17.9% to reach the level of ₹ 94,509.24 Lakhs as compared to previous year of ₹ 80,133.46 Lakhs.

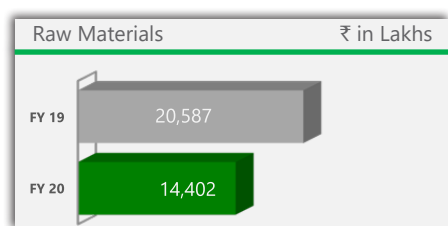
₹ in Lakhs

	FY 20	FY 19	Change	% Change
General Reserves	2,013.53	2,013.53	-	-
Profit & Loss Account	27,931.12	23,664.21	4,266.91	18.0%
Securities Premium Account	33,143.59	23,034.72	10,108.87	43.9%
Capital redemption Reserve	15,126.17	-	15,126.17	-
Other Reserves	16,294.83	31,421.00	(15,126.17)	48.1%
<b>Total Reserves &amp; Surplus</b>	<b>94,509.24</b>	<b>80,133.46</b>	<b>14,375.78</b>	<b>17.9%</b>

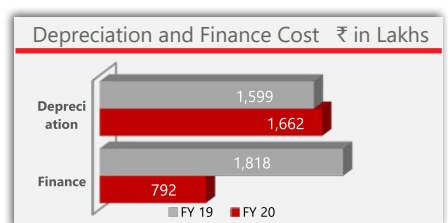


**Earnings per Share (EPS)** was at ₹ 19.10 in FY20 as compared to ₹ 35.97 in FY19. Given the developments with regard to the COVID-19 pandemic and its fallout, the Board prudently decided to conserve cash for the quarters ahead. The Diluted EPS was also at ₹ 17.69 on account of outstanding and/or potential conversion of Compulsorily Convertible Preference Shares.

	FY 20	FY 19	Change	% Change
Basic EPS (₹)	19.10	35.97	(16.87)	46.0%
Diluted EPS (₹)	17.69	35.97	(18.28)	50.8%

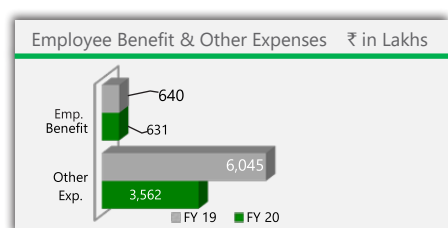


**Raw material cost** stood at ₹ 14,402 Lakhs compared to ₹ 20,587 Lakhs in PY, a decrease by 1.32% inline with Lower capacity utilisation and suspension of Production on account of COVID-19 pandemic. There was an increase in the average unit price of Raw materials despite which the Management due to better negotiations, efficient Inventory Management and Price correction forecast, could reduce the impact of increase in Raw materials cost.



**Finance cost** was at ₹ 792 Lakhs. Due to ongoing dispute with the Lenders in relation to their failure to comply with committed lending obligations and outstanding, the Company has, basis of legal advice, not provided for interest costs on certain loans outstanding, amounting to INR 807.98 Lacs in respect of Operating Assets. The Company continues to believe in the merits of the litigation.

**Depreciation and Amortisation Expenses** increased to ₹ 1,662 Lakhs from ₹ 1,599 Lakhs (Y-o-Y) due to post commissioning Depreciation expense of expanded Plant capacities which were commissioned during previous year.



**Employee Benefit Expenses** marginally decreased to ₹ 631 Lakhs from ₹ 640 Lakhs (Y-o-Y) due impact of COVID-19 pandemic outbreak in Mar-20 and resulting rationalisation of expenses.

**Other Expenses** were lower at ₹ 3,562 Lakhs vs. ₹ 6,045 Lakhs (Y-o-Y) due to lower capacity utilisation and rationalisations and control of various expenses on account of COVID-19 pandemic outbreak.

₹ in Lakhs

	FY 20	FY 19	Change	% Change
Raw Material Cost	14,402.12	20,587.11	(6,184.99)	30.0%
Finance Cost	791.98	1,817.99	(1,026.01)	56.4%
Depreciation & Amortisation Expenses	1,661.74	1,599.41	62.33	3.9%
Employee Benefit Expenses	630.57	640.47	(9.90)	1.5%
Other Expenses	3,562.49	6,045.49	(2,483.00)	41.1%

## Key Financial Ratios

	FY 20	FY 19	% Change	Reason
Debtors Turnover Ratio	2.44	4.80	49.2%	Sluggish realisation - onset of COVID-19 in Q3FY20 in China
Inventory Turnover Ratio	9.97	13.14	24.1%	Lower Capacity utilisation
Interest Coverage Ratio	9.66	7.72	N.A.	Refer Note no. 30.1 of Financial Statements
Current Ratio	1.92	2.83	32.1%	Higher Working Capital utilisation - sluggish realisation
Return on Networth	11.6%	27.4%	57.6%	Lower Capacity Utilisation
Operating Profit Margin(EBIT%)	23.2%	30.1%	23.1%	Reduction in Product spreads, Lower Capacity Utilisation
Net Profit Margin(PBT%)	18.2%	21.4%	15.1%	Reduction in Product spreads, Lower Capacity Utilisation
Debt : Equity ratio	0.71	0.72	0.01	

## SWOT ANALYSIS

The present per capita consumption in India is very low as compared to other countries and the growing domestic household promises increasing opportunities for growth on the back of increasing disposable income of growing middle class. China no longer controls the market repelled by its present pricing policy due to increasingly stringent pollution control policy and measures being administered by its Government. The brand value 'Make in India' is lead by knowledge power and vast experience in handling customer demands and is at its brightest spot in the Chemical industry. Challenges of COVID-19 weigh on the Company, though your Company has resolved its SWOT for clenching the Opportunities and mitigating the Threats:

### Key Strengths

**Adroit Leadership & Management Team:** Seya is led by a strong and experienced management team with strong fundamental knowledge and keen awareness of the shifts in the industry landscape comprising first generation technocrats all possessing excellence in Chemical Engineering. Your management possesses a proven track record in formulating strategies, implementing pioneering technologies and introducing high value high margin products to sustain profitable operational performance which have enabled your Company to enhance stakeholder value while adhering to the code of Responsible Care and ethical values.

**Integration & Global Size Plant:** Seya's sustained focus on process development, plant automation and high quality benchmarks has made it possible to emerge as one of the highest quality at lowest-cost producers of benzene derivatives in the world. Your Company's environment friendly integrated facilities with backward and forward cost-efficient processes and diversified downstream applications complemented by competitive, large and integrated supply chains empower your Company to address the growing needs of large global customers with committed and secured Supply Chain. Your Company has the largest installed capacities for its premium high value and high margin products. Your Company is a global entity integrated backwards and forwards in its range of chemicals and also across various value chains, enhancing its capability to supply a basket of products and becoming a one-stop source. This has resulted in the fragmentation of competitive risks as very few global players are as integrated and diversified as your Company.

**Diversified Product portfolio:** Your Company's de-risked portfolio with diverse products addresses different end-user applications across customers and geographies spanning from Agrochemicals, Polymers, Dyes, Pigments, Printing Inks, Pharmaceuticals, Health & Home Care, Oil & Gas, Rubber Chemicals, Flavours & Fragrances, Food Ingredients, Cattle Feed, etc. thereby insulating itself from vagaries in any one product or segment. Your Company supplies products to more than 100 customers. Each Product results in engagements with multiple customers, an effective entry barrier for competition providing flexibility to shift products based on market dynamics, countering demand vagaries and converting process by-products into commercially viable products, enhancing value. There has been focus on developing integrated product chains rather than fragmented, standalone products enabling significant cost synergies and deeper relationships with clients who partner with the Company for multiple products over several years. Your company's leadership in certain products facilitates knowledge transfer, provides demand

foresight, the ability to absorb incremental SH&E costs. Diversified and comprehensive product portfolio and large customer base spread across several countries and customer categories, strengthen your Company to face headwinds, if any and dependence on any product, customer or geography.

**Innovation & Technical Expertise:** Innovation is deep-rooted in the DNA of your Company. Seya executes complex and hazardous chemical processes with high success rates by leveraging its License for niche chemistries from expert Technology Suppliers in Germany and its capability in managing, storing and handling various types of chemicals in quantities ranging from few kilos to several tons. Your Company's ability to develop new product application and to customize products to suit customer needs have helped in expanding its customer base and thereby enabling your Company to establish its leadership position. Your Company's expertise and competence provides customers the comfort that it will undertake these complex processes safely and in a cost competitive manner while adhering to the highest standards of quality. The enriching product mix combined with scale has enhanced the earning efficiency of value chain. Your Company's focus on R&D initiatives for Speciality Chemicals has built technological capabilities through know-how transfer resulting in several differentiated processes/ chemistries. The focus has always been on improving product quality and process yields of existing products, forward integration for downstream products etc, with thrust on environment friendly processes to further strengthen its global presence in the end-user applications.

**Quality, Safety, Sustainability:** Your Company practices the most stringent global environment, health and safety standards, ensuring optimal productivity and business sustainability. Seya emphasizes on Reduce-Reuse-Recover principles across its manufacturing site following the highest SHE (Safety, Health & Environment) standards. Your Company is looked upon as a benchmark and standard of Quality. Your company has revolutionized Quality of all the Products it manufactures to standard which can be matched by none and commands premium pricing for all its products.

### Key Opportunities

**Favorable Government Initiatives - Make in India – Geographical shift:** India has developed into an important manufacturing hub for Speciality chemicals on account of superior compliance with environmental norms, increasing competitiveness and decline in Chinese competitiveness. India is capitalising on growing opportunities in the export of Speciality chemicals with increasingly stringent compliance to environment norms in China which has affected global supply enabling Indian producers with large capacities, international quality compliance and environment standards to benefit. Maturing of the Chinese economy has increased labour and other Costs in China with incremental compliances necessitating additional investments in effluent treatment thereby enhancing costs and impacting capacity utilization assessed by increased competitiveness of Rupee v/s. Chinese Yuan widening the Indian fosse. Amidst this the Government's ambitious 'Make in India' and 'Atmanirbhar' initiative has given tremendous boost to the Indian manufacturing sector attracting capital, technological investment and toting impetus to the emergence of India as a manufacturing hub for the chemical industry. Your Company driven by extensive product and process innovation, a significant differentiator over

the commoditized Indian chemical industry. With strong technical expertise, high Safety Health & Environment standards as well as deep customer relationships, it remain at the forefront to make significant headway in high value chemicals strengthening product mix and scale resultantly driving earnings efficiency.

**Large addressable market:** To address the country's large and dispersed end-user market, companies have to start adopting a key-account strategy for large customers and partnership with other companies to build distribution networks across geographies. Companies have realized the importance of having a strong vendor base and partnership arrangements with cost effective local companies to achieve a leadership position.

**India as an R&D hub for specialty chemicals:** Large MNCs have started tapping the India's cost advantage by investing in production for exports and also moving some of their R&D work to India. There is a large untapped potential in this space.

**Opportunities for local customization:** A key success factor in the Indian specialty chemical market is the local customization. Many customers are willing to sacrifice on some of the product attributes for a lower product price. These offerings can also be expanded to other Asian markets. The recent trend evidenced by the structural headwinds prevalent in the chemicals industry is the extraction of increased value from its operations and embracement of smarter portfolio management to improve performance. Leveraging skilled labour, lower capital costs, improved knowledge, equity and cost advantages of Asian players have compelled the larger players from developed countries to progressively discontinue their operations and transfer capacities eastwards and using local facilities for manufacturing high-end performance products. Many of these companies operate asset-light structures that increasingly outsource intermediates from China and India. While this trend was for long favourably disposed towards China for various end user products, India has recently been developed into an important manufacturing hub for specialty chemicals on account of superior compliance with environmental norms, increasing competitiveness and decline in Chinese competitiveness. Moreover, as MNC customers remain keen to allay their country risk through widening diversification; India is well positioned to capitalise, translating into growing opportunities for the export of specialty chemicals. Regulating agencies in developing countries have become more stringent in ensuring a complete compliance with environment norms. In China, restrictions have firmed up and imposed over last 2 years; in India, compliances were stringent for five or six years, providing the country a competitive advantage, making it possible for Indian players with large capacities and international quality compliance and environmental standards to corresponding benefit. The incremental compliances necessitate additional investments in effluent treatment, enhancing costs and impacting capacity utilization for the Chinese. The maturing of Chinese economy, labour and other costs have increased meaningfully.

### Key Challenges

**Regulatory and environment:** While chemical industry addresses growing need for materials required by different sectors, the industry employs highly complex manufacturing process that often involves handling of toxic and hazardous chemicals. The process being energy intensive, the importance of safety, health, security and environmental protection cannot be underestimated. Like all chemical companies, your Company is subject to central, state, local and foreign laws and regulations relating to pollution, protection of the environment, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Costs and capital expenditures relating to environmental, health or safety matters are subject to evolving regulatory requirements and depend on the timing of the promulgation and enforcement of specific standards which impose the requirements. Moreover, changes in environmental regulations could inhibit or interrupt the Company's operations, or require modifications to its facilities. Accordingly, environmental, health or safety regulatory matters could result in significant unanticipated costs or liabilities. European and developed markets have progressively tightened their import regulations citing environmental concerns and protection of domestic manufacturers.

**Non-availability of Alternate Energy Sources:** Chemicals manufacturing industry consistently requires high amount of energy in production processes through conventional fuels like coal, furnace oil, etc. for generation of power or as a heat energy source. Use of non-conventional energy like wind power, solar power or natural gas becomes unfeasible as these alternate fuels have shortcomings like lack of reliability of continual supply, inability to generate energy in large quantity, sizeable capital expenditure, availability at higher costs, etc. However your Company has implemented state-of-art Energy Management Systems and continues to focus sharply on improving Utility efficiencies at its facilities along with widening its scope of Green Chemistry.

**Volatility in Raw Materials Prices:** Volatility in the global prices of raw materials is the foremost challenges faced by the chemical industry which can be well mitigated due to the time lag before price hikes or cost revision enabling the same to be passed on to customers. While your Company has enhanced inventory management procedure, it periodically reviews prices with suppliers, which remains as an inherent weakness in the industry. Sharp corrections in the crude oil prices aligns prices of various raw materials procured by the Company which influence topline even as they have a limited impact on profitability due to adoption of a cost plus pricing model for all its products. While the topline remains elastic to raw material price movements, enhanced volumes and superior product mix drive the profit capturing the essence of your Company's value chain.

**Obsolescence of Product and Processes:** Obsolescence of products and existing manufacturing processes pose a threat to the global chemical industry. Swift technological transformations, changes in materials and innovation-driven changes in manufacturing process render existing products and processes obsolete. Latest technologies can affect the overall market dynamics and existing operations of the industry.

**Slowdown in End User Industries:** The slowdown in growth of end-user industries such as Printing Inks, Paints, Pigments & coatings, Agrochemicals, Rubber, Paper and Textiles amongst others could impact the overall growth. Your Company caters to several industries, not overtly dependent on any single industry, customer or geography with its diversified portfolio comprising multiple products that cater to multiple customers across geographies and varied economic cycles.

**Momentous Currency Appreciation:** Sharp appreciation in the currency could impact growth as competitive advantages vis-à-vis China could reduce thereby slowing the pace of shifting of volumes from China to India. Appreciation of Indian Rupee against US Dollar also lowers the export realisation thus impacting the export potential.

**Lack of Talent Pool:** Efficient and hard-working human capital is a rare and valuable resource today. India lacks widespread and abundant availability of technically skilled laborers. Your Company has initiated several measures to develop talent and undertakes comprehensive training for skill development, understand business complexities and adherence to global best practices

### STRATEGIES FOR GROWTH

SEYA has envisaged its growth path, by a clear and defined vision to:

- Invest locally with Scale and Size matching global norms and adopt cutting edge technology (developed or acquired)
- Secure Feedstock and Technology
- Become a coveted employer - Attract and Retain talent
- Establish a targeted innovation platform, Invest more in R&D
- Create a positive, consumer & environment friendly image

### Capacity Expansions

The Company had completed the capacity of one of its product in Q1FY20, however due to unavailability of one of the critical raw material ie. Conc. Nitric Acid and restriction over permitted effluent discharge due to pending implementation of MIDC CETP the capacity could not be ramped up.

### De-bottlenecking & Efficiency Improvement

The said brown-field project has been completed to the extent of 30% and shall be completed once the funds tied-up with Lender shall be released. Once completed, the Company shall have parallel capacities for select products to align the production plants and processes on new Technologies. In addition to this, considering the restriction imposed on all industries in MIDC Tarapur on permitted Effluent discharge, the Company shall on top priority be upgrading its Effluent Treatment Plant to Zero Liquid Discharge(ZLD) to permanently circumvent restriction imposed by NGT and support its capacity expansions. The de-bottlenecking and efficiency improvement exercises under implementation are expected to boost production volumes and margins. The estimated capital expenditure for above Capital expansion and de-bottlenecking project is Rs. 70 – 75 Crores which is being funded through Debt.

### Mega Green-Field Project Under Implementation

Your Company is addressing cost issues of raw materials and its price volatility and high energy costs which shall result in reduction in energy and fixed costs, yield better cash flows and aid in debt reduction, all of which will result in long-term value creation for its stakeholders. Cash generation through operational excellence and to realize the synergies of being a fully integrated facility shall drive efficiencies and effectiveness in transitioning to value-added products. With a clearly defined vision to emerge as an Integrated Global producer for Speciality Chemicals and having invested Rs. 5 Bn in Capex in last 6 years, Company took its next step forward to start next round of expansion at cost of Rs. 7.35Bn to set-up additional installed capacity of 527,900 MTPA. The project is expected to contribute additional Rs. 10-12Bn in Revenue at an estimated capacity utilization of 80%. The project is in close vicinity of Seya's existing manufacturing operations at MIDC Tarapur, Boisar in State of Maharashtra and is presently awaiting disbursement from its Lenders who failed to keep up their commitment. The Company has filed representation in Hon'ble High Court and based on its directions has submitted the funding plan to the Lenders which is under consideration with the Lenders. The Equity has been fully introduced by the Promoters and is forming part of present Share Capital/Equity Structure of the Company. The Project is being built under the supervision of highly experienced and reputed EPC contractors, German Technology Suppliers and PMC's holding successful track-record of more than 105 years backed by performance guarantee. It involves latest state-of-the-art, cutting edge, continuous, fully automated process technology which will enable Seya to be the lowest cost producer in the World for the products under set-up. The installed capacities of proposed products under set-up will be the largest in the world at a single location.

Seya has safeguarded any copy of the Technology by executing confidentiality and copyright agreements with its technology suppliers restricting sale of technology acquired, for next 20 years from the Contract date. Almost 50% of the installed capacity in the proposed greenfield mega project is to be captively consumed as intermediates. Out of balance 50%, 30% of the proposed installed Capacity is contracted to existing customers on long term supply contract and balance 20% is envisaged to provide as import substitute to cater to the increasing demand arising from Supply disruptions and geographical shift from China.

### INTERNAL CONTROL SYSTEMS & ITS ADEQUACY

The Company has systems for internal audit, risk assessment and mitigation and internal control and risk management processes both at the business and operational levels. Internal audit function plays a key role in providing to both the operating management and to the Audit & Risk management Committee of the Board, an objective is to view and reassurance of the overall control systems and effectiveness of the risk management processes across the Company. Internal Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations. The scope and authority of the Internal Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audits with respect to financial and compliance matters are performed by an internal Auditor and operational level internal audit is performed by the in house team of managers, engineers and project and production team. The internal audit department which operates on a decentralised basis continuously monitors the adequacy and effectiveness of the

internal control environment across the Company and the status of compliance

### RISK MANAGEMENT

Managing Risk is an integral part of Seya's business. The Company operates a structured and continuous process of identifying, analysing, responding and mitigating the risk events that have the potential to generate adverse effect on the achievements of organisational objectives. This section discusses various dimensions of our enterprise risk management and is not exhaustive and is for information purpose only. Our business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements.

#### Risk Categories & Mitigants

Given the nature of the Company's business and changing market dynamics, it is exposed to various risks during its daily course of

operations. Some of the key risks and mitigation strategies adopted by the company is illustrated below: The following broad categories of risks have been considered in the risk management framework:

#### ➤ Strategic Risk

It includes the range of external events and trends (like government policies that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value.

##### Mitigant

The applicable regulatory framework is continuously tracked by various teams within Seya. Appropriate action as necessary is being undertaken to ensure compliance with all regulatory requirements.

#### ➤ Operational Risk

These are those risks which are associated with operational uncertainties like failure in critical equipment, attrition etc.

##### Mitigant

Hazop Study and Safety studies for Process risks are carried out at regular intervals through EHS initiatives and dedicated committee formed for Managing process related hazards and safety

#### ➤ Financial Risk

This covers financial risk facing the organisation in terms of internal systems, planning & funding.

##### Mitigant

Apart from detailed review across levels and functions an independent risk team evaluates all deals before the approval

#### ➤ Reputational Risk

Seya is expected to maintain global quality standards in manufacturing. Any deviation with regards to quality compliance of products would impact the Consumers and hence adversely affect the Company's performance.

##### Mitigant

Dedicated quality control and assurance team actively monitors the adherence to prescribed quality standards. Most stringent Quality Control and Quality Management systems are in place and reviewed periodically.

#### ➤ Economic Uncertainty

Rising trade tension, decreasing consumer confidence and political tension significantly affected the growth prospects of the Indian and global economy. The recent outbreak of COVID-19 has further dampened the growth potential, plunging major economies into recession. This might have an adverse impact on the Company's operations.

##### Mitigant

The Company constantly monitors changes in the macroeconomic environment and assesses its potential impact on the company's operations. It enables the Company

to quickly respond to changing market trends and safeguard its operations against uncertainty. Further, the COVID-19 outbreak has led to a temporary slowdown and the Company is proactively dealing with the situation, following safety protocols in all its manufacturing facilities to ensure smooth operations even during the countrywide lockdown.

## ➤ Competition

The Company faces competition from domestic as well as international players. The Company's inability to deliver new and innovative solutions and keep up with dynamic changes in the market may lead to loss of revenues. Further, competition may also result in pricing pressure leading to an impact on its margins and profitability.

### Mitigant

Over the years, Seya has established a firm foothold in key markets and has built a strong and healthy relationship with customers. It also significantly invests towards research and development of improved products quality, aligned to changing customer needs. This has enabled the Company to further strengthen its relation with its Customers, giving it a competitive edge over its peers

## ➤ Environment

With increasing pressure from NGT to reduce the Effluent discharge by Industries to manage the Central Effluent Treatment with available capacity, the Company is being restricted to operate its Plant at 30~40% capacity utilisation, which may severely impact Company's revenue and profitability and also lead to loss of Customers.

### Mitigant

The Company after completing the Basic & Detailed Engineering for setting-up its own ZLD-ETP has placed orders for Supply of Equipments and 30% of the Equipments have been delivered. The balance shall be delivered once the funds are released by the Lenders. Once the ZLD-ETP is set-up the company shall not have any interference from any Pollution Control Authority and the Company shall be at free fill to operate the Plant at full capacity.

The Company has perceived certain risk mitigation strategies w.r.t. its business risks:

Nature of Risks		Mitigation Strategies
Foreign Exchange volatility		>70% of Sales are in domestic currency. For balance, the INR vs USD price is fixed and hedged to avoid any exceptional financial effect.
Customer Retention		Product customisation as per Customer requirements, Long-term contracts with pass through mechanism, attractive prices, world-class Infrastructure and Robust customer relationships
Availability of Skilled Personnel		Incentive and growth opportunities, all round learning experience, nurturing talent in a structured manner and proper mentoring
Technology Risks		License and Patented Technology driven state of art manufacturing with Continuous upgradations of Technology through OEM support and R&D
Product Quality		Rigorous monitoring and controlled by technically qualified personnel in QC, Most stringent Quality & Environment certifications like ISO 9001: 2008, ISO 14001:2004 and ISO 18001:2007, periodic QC & EHS audit by customers

## HUMAN RESOURCES

Seya's talent base, as on March 31, 2020 stands at 131. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioural skills of employees and optimising employee costs. Learning and Development has been prioritized as a means of expanding the knowledge base of employees, which is seen as a key driver of growth. Taken together, these initiatives and processes are making a positive impact on talent attraction, retention and commitment. Managing the human asset for an Organization is a strategy that helps build the resources for a robust future. A ready second line of leadership; a highly engaged workforce; low manpower turnovers are few of the multiple gambits handled by the Human Resources Team.

A productive and innovative workplace has been and will continue to remain a key requirement for successful business performance in the Company's perspective. It is in the DNA of SEYA where employees are empowered with the ability to bring new ideas to the table. The Company believes in the conduct of affairs of the Company in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. With this aim, the Company has introduced the "Whistle Blower Policy/Vigil Mechanism" for Directors and Associates to report genuine concerns or grievances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The main objective of the policy is to build and strengthen a culture of transparency and trust within the organisation. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013('Act'), the Company has constituted Internal Complaints Committees (ICC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. The objective of the Policy is to create and provide a work environment that is safer, civilized, free from any sort of hostility, supportive to the diversity & dignity of all Associates, where Associates feel secure at the workplace on the basis of natural justice and confidentiality.

## COMPANY OUTLOOK

Your company is in the business of manufacture of specialty chemicals which have applications in end user segments like Computer Printing Inks, Pigments & Paints, Pharmaceuticals, Personal & Health Care Products, Agrochemicals, Insecticides/Pesticides, Organic Chemical Intermediates, Rubber chemicals, Textile dyes, Thermic fluids, etc. The COVID-19 pandemic has caused unprecedented impact on the global economy. It has disabled global trade and cross border transactions like never before. The lockdown of countries and economies has resulted in overnight evaporation of demand for industries such as airlines, hotels, cinemas, and entertainment among others.

Global supply chains have been hindered and it is expected that consumption will pick up gradually where it was disrupted. This disruption has accelerated some of the emerging trends like virtualization, remote interactions and electronic transactions. Your Company is closely monitoring the development in its customer industries and assessing the near term as well as long term effects of this development. In its own operations, your Company is mindful and has taken all the necessary precautions while resuming plants operations to provide desired safety and security to its the employees. Your Company believes that the customer industries, in aggregate, will recover and grow to be larger in the future. Your Company has well-integrated operations and a healthy balance sheet position which will allow it to overcome the near term challenges and return to creating value in the long run.

### Cautionary Statement

*The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.*

# DIRECTOR'S REPORT

To the Members of Seya Industries Ltd

The Directors hereby presents their Thirtieth Annual report together with the Audited Financial Statements for the Financial Year (FY) 2019-20

## Financial Performance

₹ in Lakhs

Financial Results	Year Ended 31-Mar-19	Year Ended 31-Mar-20
Total Revenue	41,493.62	25,819.52
Profit Before Interest, Depreciation & Taxes	14,041.86	7,650.40
Profit Before Tax	10,624.46	5,196.68
Profit After Tax	8,848.76	4,701.98
Earnings Per Share – Basic (₹)	35.97	19.10
Earnings Per Share – Diluted (₹)	35.97	17.69

## Performance review

During the year under review, despite exceptional business conditions, extremely challenging backdrop of economic environment due to Covid-19 inception in Q3FY20 in China and other challenges faced due to shortage of Nitric acid, Effluent disposal and water scarcity which impacted Company's manufacturing operations and performance, your Company has delivered competitive and profitable performance with Sales Turnover of ₹258.19 Cr, EBITDA of ₹ 76.50 Cr, EBIT of ₹ 59.88 Cr and PAT of ₹ 47.02 Cr. Lowering of EBITDA spreads, reduction in Unit sale price of Products, resumption of Supplies from China are various factors which affected the Revenue and Profitability.

The traction from Modernization and Upgradation initiatives taken by your Company to improve operating efficiency has been vertebrae of sustaining profitable performance, maintain high quality standards, timely servicing of Customers. Your company is working on priority to mitigate the restriction on Effluent discharged imposed by NGT by establishing its own captive ZLD based ETP plant. Once completed the company shall be able to ramp up its manufacturing capacities to optimum levels.

## State of Company Affairs: COVID-19 Impact

Your Company is in the business of manufacture of speciality chemical intermediates having applications in the manufacture of Pharmaceuticals (like Paracetamol, floxacins, etc), Personal & Health Care Products (like Hair dyes), Printing Inks & Paints (used in Laser/ Ink jet Printers, for Road markings, etc), Agrochemicals (like DDT, etc) Insecticides/Pesticides (like Quinalphos, Mortein, Baygon, etc), Rubber chemicals (for Leather protection), Textile dyes, Thermic fluids (used as heating medium), etc.

The Operations of the Company have been severely impacted due to the Covid -19 pandemic. The Government of India declared a nationwide lockdown w.e.f. 21 March, 2020 and hence the manufacturing operations of the Company were halted. Upon obtaining necessary permissions from the concerned authorities and after taking all safety measures as prescribed in the said permissions, though the Company have resumed operations in a phased-wise manner w.e.f. May-2020, several International and State governments continue to restrict distribution operations which impact the Company's operations. As a result, the revenues continue to be materially impacted. Subsequent to the period under review, your Company has received notices of Force Majeure from certain suppliers and customers and similarly the Company has also issued notices of Force Majeure to customers and suppliers. However, based on the preliminary legal evaluation of these notices, the Management does not anticipate any material economic outflow of resources which would impact its cash position and the carrying value of its assets. The Company however continued to incur committed expenditure with respect to its Employees, Plant related expenditures and Other expenditures. This has significantly

impacted the profitability. Covid-19 has also had a significant impact on customers and their ability to meet their committed obligations. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable. The Management in process of evaluating the possible effects if any that may result from COVID-19 pandemic on the carrying amounts of Trade receivables and Inventories. In developing the assumptions and estimates relating to the uncertainties as at the balance Sheet date in relation to the recoverable amounts of these assets, the management has used internal and external sources of information to the extent determined by it. The Impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Management will continue to closely monitor the developments.

We have taken several actions to mitigate the effect of Covid-19 on our business. We have taken steps to reduce our unit costs and increase our liquidity by making our operations more efficient and nimbler, putting on hold discretionary expenses, deferring certain capital expenditures, etc. In order to sustain operations, we also had to take actions to cut employee costs through pay cuts, leave without pay and reduction in workforce. We are ramping up our operations in a phased manner, subject to Government directions. The unprecedented nature of the pandemic makes the future business environment uncertain, however, we will continue to carry out the impact assessment on our assets and closely monitor any material changes to future economic conditions.

## Dividend

For the year under review, given the developments with regard to the COVID-19 pandemic and its fallout, the Board of Directors prudently decided to conserve cash for the quarters ahead.

## Share Capital

During the period under review the Company has issued and allotted 19,70,540 Compulsory Convertible Preference Shares (CCPS) face value of ₹10 per share with a premium of ₹513 per share.

## Management Discussion & Analysis and Corporate Governance Reports

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Management Discussion & Analysis and the Corporate Governance Report are presented in a separate section forming part of the Annual Report.

## Capacity Expansion, New Projects & Diversification

**Capacity Expansions:** The Company had completed the capacity of one of its product in Q1FY20, however due to unavailability of one of the critical raw material ie. Conc. Nitric Acid and restriction over permitted effluent discharge due to pending implementation of MIDC CETP the capacity could not be ramped up.

**De-bottlenecking & Efficiency Improvement:** The said brown-field project has been completed to the extent of 30% and shall be completed once the funds tied-up with Lender shall be released. Once completed, the Company shall have parallel capacities for select products to align the production plants and processes on new Technologies. In addition to this, considering the restriction imposed on all industries in MIDC Tarapur on permitted Effluent discharge, the Company shall on top priority be upgrading its Effluent Treatment Plant to Zero Liquid Discharge(ZLD) to permanently circumvent restriction imposed by NGT and support its capacity expansions. The de-bottlenecking and efficiency improvement exercises under implementation are expected to boost production volumes and margins. The estimated capital expenditure for above Capital expansion and de-bottlenecking project is Rs. 70 – 75 Crores which is being funded through Debt.

**Mega Green-Field Project Under Implementation:** Your Company is addressing cost issues of raw materials and its price volatility and

high energy costs which shall result in reduction in energy and fixed costs, yield better cash flows and aid in debt reduction, all of which will result in long-term value creation for its stakeholders. Cash generation through operational excellence and to realize the synergies of being a fully integrated facility shall drive efficiencies and effectiveness in transitioning to value-added products. With a clearly defined vision to emerge as an Integrated Global producer for Speciality Chemicals and having invested Rs. 5 Bn in Capex in last 6 years, Company took its next step forward to start next round of expansion at cost of Rs. 7.35Bn to set-up additional installed capacity of 527,900 MTPA. The project is expected to contribute additional Rs. 10-12Bn in Revenue at an estimated capacity utilization of 80%. The project is in close vicinity of Seya's existing manufacturing operations at MIDC Tarapur, Boisar in State of Maharashtra and is presently awaiting disbursement from its Lenders who failed to keep up their commitment. The Company has filed representation in Hon'ble High Court and based on its directions has submitted the funding plan to the Lenders which is under consideration with the Lenders.

The Equity has been fully introduced by the Promoters and is forming part of present Share Capital/Equity Structure of the Company. The Project is being built under the supervision of highly experienced and reputed EPC contractors, German Technology Suppliers and PMC's holding successful track-record of more than 105 years backed by performance guarantee. It involves latest state-of-the-art, cutting edge, continuous, fully automated process technology which will enable Seya to be the lowest cost producer in the World for the products under set-up. The installed capacities of proposed products under set-up will be the largest in the world at a single location.

Seya has safeguarded any copy of the Technology by executing confidentiality and copyright agreements with its technology suppliers restricting sale of technology acquired, for next 20 years from the Contract date. Almost 50% of the installed capacity in the proposed greenfield mega project is to be captively consumed as intermediates. Out of balance 50%, 30% of the proposed installed Capacity is contracted to existing customers on long term supply contract and balance 20% is envisaged to provide as import substitute to cater to the increasing demand arising from Supply disruptions and geographical shift from China.

### Finance, Term Loans and Working Capital

During the year under review, the debt pertaining to the manufacturing operations of your Company decreased due to certain repayments. CARE Ratings Limited had wrongfully & illegally committed breach of mandatory terms of the Contract which had been terminated by the Company much prior to the period under review. Despite such termination, CARE released an un-authorised rating downgrade report with malafide intent. The Company has filed a suit & complaint to SEBI against such unauthorised downgrade by CARE. During the period certain Lenders have initiated formal legal communication, with a view to protect their interest. The Company has contested and continues to defend such action by the Lenders. Meanwhile the Company also continues to engage with lenders with a view to arrive at a resolution to ongoing matters. Due to ongoing dispute with the lenders in relation to their failure to comply with committed lending obligations and outstanding, the Company has, basis of legal advice, not provided for interest costs on certain loans outstanding, amounting to INR 807.98 Lacs in respect of Operating Assets and INR 2884.00 Lacs in respect of Project Assets. The Company continues to believe in the merits of the litigation, however there continues to remain material uncertainties in relation to the outcome of the said litigations.

The Company manages liquidity through surplus and financing facilities by continuously monitoring actual cash flows. The Company has obtained fund and non-fund based working capital lines from various Banks/FI/Others. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Save and except as stated above, all payments are generally made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

### Reserves & Surplus

During the period under review, there has been no transfer to the general reserve. There has been addition in the Securities Premium Reserve on account of Issue of 19,70,540 Compulsorily Convertible Preference Shares of Face Value of ₹ 10/- each at a Premium of ₹ 513/- each. There has been transfer from the Other Reserves to Capital Redemption Reserve on account of redemption of Non-Convertible Redeemable Preference Shares of ₹ 15,126.17 Lakhs. Total reserves and surplus increased by a 17.9% to ₹ 94,509.24 Lakhs as compared to previous year of ₹ 80,133.46 Lakhs.

### Deposits from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the Balance Sheet.

### IT Initiatives

The Company's Information Technology (IT) infrastructure is continuously reviewed and renewed in line with the development in technology and its requirements.

### Directors and Key Managerial Personnel

#### Directors

In Accordance with the provision of the Act and the Articles of Association of the Company, Mr. Asit Kumar Bhowmik is liable to retire by rotation and being eligible offered himself for reappointment.

The Board of Directors on recommendation of Nomination and Remuneration Committee, has appointed Mr. Ronen Joshi (DIN: 08167071) as an Additional Director in category of Non-Executive Independent Director with effect from February 06, 2020. Brief resume regarding his appointment at the ensuing Annual General Meeting is given in the Notice convening the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act, and the Rules framed there under and are independent of the management.

The brief resume and other details relating to the Director who is proposed to be appointed / re-appointed as required to be disclosed under Regulation 36(3) of Listing Regulations is mentioned in the explanatory Statement annexed to the Notice of 30th Annual General Meeting.

The Board is of the opinion all the Independent Directors hold highest degree of integrity and are individuals who are experts in their respective fields with enormous experience. One of Independent Directors of the Company who are required to appear and clear proficiency test are yet to appear for the same. However, the same shall be carried out before the timeline prescribed by the Companies Act, 2013.

#### Key Managerial Personnel (KMP)

In terms of the Provisions of Section 2(51) and Section 203 of the Act, the following are KMP of the Company

- Mr. Ashok G Rajani – Chairman & Managing Director
- Mr. Asit Kumar Bhowmik – Executive Director
- Mr. Amrit Rajani – Chief Financial Officer
- Ms. Manisha Solanki – Company Secretary

#### Independent Directors

The Independent Directors are not liable to retire by rotation in terms of Section 149 (13) of the Act. In accordance with Section 149 (7) of

the Act, each independent Director has given a written declaration, to the Company confirming that he / she meets the criteria of independence as mentioned under Section 149 (6) of the Act and the Listing Regulations.

#### **Performance evaluation of Board, its committees and of Director's**

The Board recognise the Importance of reviewing and improving upon its performance. For this purpose, they discuss the effectiveness of the functioning of the Chairman, Executive Directors, and other Directors and to agree ways in which performance can be further improved looking at the likely needs in future.

A structured questionnaire was prepared after taking into consideration, various aspect of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligation and governance.

The Performance evaluation of the Chairman and Non-independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with evaluation process of Board.

#### **Familiarization Programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industries.

The Details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company and related matters are put up on the website of the Company under the link [http://www.seya.in/wp-content/uploads/2011/06/Familiarization-Program\\_for-Independent-Directors-Seya.pdf](http://www.seya.in/wp-content/uploads/2011/06/Familiarization-Program_for-Independent-Directors-Seya.pdf)

#### **Governance Guidelines**

The Company has adopted governance guidelines on Board effectiveness. The governance guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Directors' term, retirement age and committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director Remuneration, Code of Conduct, Board Effectiveness Review and mandates of Board committees.

#### **Procedure for Nomination and Appointment of Directors**

NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial conditions and compliance requirements.

NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

During the period under review, the Board has also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the business and sectors applicable to the Company and those actually available with Board.

#### **Policy on Directors' Appointment and Remuneration Including criteria for determining Qualifications, Positive Attributes and Independence of a director**

The Company has in place Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and

the listing Regulations which is set out in Annexure I which forms part of the Board' Report.

#### **Meetings of the Board**

During FY 2019-20, Seven (7) Board Meetings were held. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance.

#### **Employee Stock Option/Sweat Equity/Preferential Allotment**

The Company has not issued any Employee Stock Options/Sweat Equity or Shares as Preferential allotment during the period under review.

#### **Directors' Responsibility Statement**

Based on framework of the internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) including audit of internal financial controls over financial reporting by the statutory and the reviews performed by Management and the relevant Board Committees, including the Audit & Risk Management Committee, the Board is of the Opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20. Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, based on the representations received from the Operating Management and to the best of their knowledge and ability, confirms that for the year ended March 31, 2020:

- In the preparation of the Annual accounts the applicable accounting standards have been followed and that there are no material departures;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent 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 of the Profit of the Company for that period;
- They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared annual accounts on a 'going concern basis.'
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- Proper system has been devised to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Redemption of Shares/ Debentures**

During the period under review, your Company has fully redeemed the Non-Convertible Redeemable Preference Shares of ₹ 15,126.17 Lakhs and accordingly, there has been transfer from the Other Reserves to Capital Redemption Reserve on account of redemption. Additionally, S. C. India Credit Fund (SCICF) became a shareholder vide invocation of shares pledged by Mr. Ashok G Rajani, which were offered as collateral in relation to Non-Convertible Debentures (NCD) issued by the Company to SCICF. The Company has contested this wrongful invocation and initiated appropriate legal proceedings. However, pending outcome such legal proceedings, the company has acknowledged SCICF as a shareholder in full settlement of its outstanding NCD in accordance with the Terms of the Debenture subscription agreement as entered with SCICF and accordingly the NCD issued to SCICF have been fully redeemed.

#### **Disqualification of Director**

No Director of the Company is disqualified under any law to act as a Director.

### Insider Trading Proceedings/ Enquiry

No such enquiry/proceeding has ever been initiated/pending against the Company.

### Contracts & Arrangements with Related Parties

All related party transactions (if any) entered into were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on company's website at the link <http://www.seya.in/wp-content/uploads/2011/06/Related-Party-Transactions-Policy-Seya.pdf>

The details of the transactions with related parties are provided in the accompanying financial statements.

### Corporate Social Responsibility (CSR)

The CSR committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company as approved by the Board.

The CSR activities are being undertaken by your Company directly and through various Implementing agency with area specific need and focus to reach out to marginalised and deprived section of the society and bridge the gap between the haves and have nots by promotion of building health, livelihood and education. The interventions of some implementing agency were spread across India. During FY 2019-20, your Company has spent ₹46.72 Lacs on CSR activities, against the requirement of ₹151.15 Lacs, being 2% of average of the net profits for the preceding three years. However on account of COVID-19 in the month of March-20, the Company will fulfil its shortfall in obligation during FY 20-21.

The Company's overall CSR initiative focuses on the following sectors and issues:

- Poverty alleviation, livelihood enhancement and infrastructure support, including programs on agriculture growth animal husbandry development and promotion of social enterprises.
- Education and vocational skill development
- Environment sustainability by investing in biodiversity, natural resource management, awareness and environment education, and mitigation of climate change impact.
- Health Care, nutrition, sanitation and safe drinking water.
- Women empowerment
- Responding to any disasters, depending upon where they occur and its ability to respond to meaningfully.

The CSR Policy is available on the Company's website. The Annual Report on CSR activities is enclosed as Annexure - II

### Material changes and commitments, if any, affecting the financial position of the Company

No material changes and commitments affecting the financial Position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

### Significant or Material orders passed against the Company

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2019-20 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

### Internal Financial Control

Internal Financial control systems of the Company are commensurate with its size and the nature of its operations, these have been

designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant status, safeguarding assets from unauthorised use, executing transactions with proper authorisation ensuring compliance of corporate policies. The Company has well defined delegation of power with authority limits for approving revenue as well as expenditure, both capital and revenue. The Company uses an established ERP System to record day to day transaction for accounting and financial reporting.

The Company's internal audit function monitors and assesses the adequacy and effectiveness of the internal financial control. The audit Committee deliberated with the members of management considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed.

Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### Auditors

#### Statutory Auditors & Its Report

M/s. Anil Chauhan & Associates, Chartered Accountant, (Firm Registration No. 140786W), present statutory Auditor of the Company have expressed his in-ability to continue as Statutory auditor of the Company with effect from 30<sup>th</sup> Annual General Meeting, as they are winding up their operations in India and settling abroad

As per provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, the Board of directors of the Company proposing to appoint S. S. Patwardhan & Co., Chartered Accountant (Firm Registration No. 119155W) as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

The Company has received a written consent and certificate from M/s. S.S. Patwardhan & Co., confirming that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Statutory Auditor's report read together with relevant notes thereon form an integral part of the Financial Statement of this Annual Report and are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

### Cost Auditors

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board on Recommendation of the Audit Committee & Risk Management has appointed Manish Shukla & Associates (Firm Registration No. 101891) as the Cost Auditor of the Company for FY 2020-21 under Section 148 and all other applicable provisions of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

M/s. Manish Shukla & Associates have confirmed that they are free from disqualification specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Act and that the appointment meets the requirements of Section 141 (3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company;

The Remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a Resolution for seeking members ratification for the remuneration payable to M/s. Manish Shukla & Associates is included at the Notice Convening the AGM.

#### Secretarial auditor & Its Report

In terms of Section 204 of the Act and Rules made there under, M/s. TRS & Associate, Practising Company Secretary have been appointed as Secretarial Auditor of the Company. The Report of the Secretarial Auditors is enclosed as Annexure – III to this report.

#### Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this report.

#### Secretarial Standards of ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

#### Audit & Risk Management Committee

The Board has accepted the recommendations made by the Audit & Risk Management Committee from time to time. Details about the meetings held during the year is provided in the Corporate Governance Report.

#### Risk Management

Risk management policy of the Company promotes a proactive approach in reporting, evaluating and resolving risks associated with the business. Mechanisms for identification and prioritisation of risks include risk survey, business risk environment scanning, and inputs from the Materiality Assessment Report and focused discussions in Risk Management workshops.

Identified risks are used as one of the key inputs for the development of strategy and business plan. The respective risk owner selects a series of actions to align risks with the Company's risk appetite and risk tolerance levels to reduce the potential impact of the risk should it occur and/or to reduce the expected frequency of its occurrence.

Mitigation plans are finalised, owners are identified, and progress of mitigation actions are monitored and reviewed. The risk assessment update is provided to the Audit & Risk Management Committee (ARMC) on periodical basis. ARMC is appointed by the Board and comprises Directors and executives from the Company and is chaired by an Independent Director. ARMC assists the Board of Directors in overseeing the Company's risk management processes and controls.

#### Whistle Blower Policy and Vigil Mechanism

In accordance with the provisions of Section 177 (9) of the Act, and Regulation 22 of the Listing Regulations, your Company has a vigil mechanism which has been adopted in the form of Whistle Blower Policy. The policy has been formulated with a view to provide a mechanism for Directors and employees of the Company to report genuine concerns. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use vigil mechanism and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy is uploaded on the website of Company and the link is [http://www.seya.in/wp-content/uploads/2011/06/Whistleblower-policy\\_SEYA\\_1.pdf](http://www.seya.in/wp-content/uploads/2011/06/Whistleblower-policy_SEYA_1.pdf)

#### Share Registrar and Transfer Agents

The Company's Registrar & Transfer agents for shares are M/s. Universal Capital Securities Private Limited (RTA). RTA is duly registered with SEBI. The contact details of RTA are mentioned in the

Report of Corporate Governance.

Investors are requested to address their queries, if any, to RTA; however, in case of difficulties, as always, they are welcome to contact the Company's 'Investor Services Department, the contact particulars of which are contained in the Report of Corporate Governance.

#### Quality Initiatives

Sustained commitment to highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes helped the Company attain significant milestones during the year.

#### Listing

The Company's equity shares continue to be listed at BSE and NSE. Required listing fees is paid to both the Stock Exchanges in full.

#### Consolidated Financial Statements

There being no subsidiaries and associates companies, disclosure requirements pursuant to Regulation 33 & 34 of the Listing Regulation are not applicable.

#### Subsidiaries / Joint Ventures / Associate Companies

As on March 31, 2020, the Company did not have any subsidiary, joint venture or associate company. Since the Company doesn't have any subsidiary, a policy on material subsidiary has not been formulated.

#### Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013, during FY 2019-20

During the period under review, the Company has not given any loans, guarantees or made investments under Section 186 of the Companies Act, 2013.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014, are provided in Annexure – IV to this Report.

#### Research and Development

The Company recognizes the need to have well equipped R&D Facilities to meet customer requirements and developing cutting edge products. Detailed report on Research and Development carried out by your Companies given as an Annexure IV of this report.

#### Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the rules, the shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority. No unclaimed and unpaid dividends is yet meeting the eligibility criteria and hence no amounts were transferred to IEPF.

#### Human Resources Management and Industrial Relations

Your Company considers human resources as the main assets of the Company as it believes that Human resources play a very critical role in its growth. Your Company continuously focus on training requirements of its employee on a continuing basis. With a view to increase the productivity, the management periodically organises various training programmes and lectures which boosts and motivates the employee to give their best to the organisation.

During the year under review, your Company's industrial relations at

all manufacturing and other locations have remained amicable. All these efforts are concentrated on attracting and retaining the best talent in the industry as people are at the centre of your Company's growth.

### Particulars of Employees

The Information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are given as Annexure V to this Report.

None of the Company's Employees were covered by the disclosure requirement pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Statement of Company's Affairs

The state of Company's affairs is given under the various headings in this Report and in the Management Discussion and Analysis Report.

### Insurance

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

### Environment, Health and Safety

Employee's Health, Safety and Environmental protection are core business values within your Company. The Company's Management believes that environment and safety of all its stakeholders including those who associated with the projects sites and manufacturing facilities is of prime importance. We believe that it's our responsibility to protect our employees, property and environment in which it operates. As your Company deals in Chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace. It strives towards excellence and aligns its growth path to make tomorrow safer, cleaner, greener and more sustainable. Your Company is committed to maintain its operations and workplace free from incidents and significant risk to the health and safety of its stake holders through improved engineering practices, strong channels of communication, safety awareness, robust checking systems and sound training practices. Your Company has well-equipped Occupational Health Centres at all its manufacturing locations to monitor health of employees on regular basis. It also monitors employees for any indications of lifestyle or work-style related diseases and provides counselling. Your Company regularly monitors the occupational health of employees working in designated hazardous areas with respect to exposure to hazardous chemicals and processes.

The employees are continuously educated and trained to improve their awareness and skills. Environment, Health and Safety (EHS) targets assigned to each division to reduce resource consumption and are regularly monitored through an EHS scorecard which is reviewed at monthly business review meetings. The manufacturing location of your Company have a well-defined Environment Management System. It follows well mapped procedure in order to select projects, assess impacts on society and environment and mitigate any adverse impacts. EHS initiatives have been strengthened further due to formation of a core group for exchange of knowledge and standardising of systems and procedures. This core group also assess the Plants' Safety and Environment protection improvement activities. Periodic audits were conducted by the core group to ensure compliance with the statutory requirements.

Special emphasis is given on resource conservation and process innovations to convert waste streams into saleable products and minimise use of water in processing. Your Company proactively fulfils the environmental requirements of customers by delivering products that match international standards. Your Company continues to focus on proper treatment of effluents and reduction of pollution as a part of its Green and eco-friendly initiatives. This has made your Company

a safe and healthy place to work.

Your Company is signatory to the 'Responsible Care' initiatives and Responsible care logo holding organisation. Management System at all manufacturing plants and corporate office have been assessed and have certifications like ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007. All raw materials and products within supply chain framework of your Company are transported in a secure manner, for the safety of its customers, carriers, suppliers, distributors and contractors. Your Company takes utmost care during transportation and ensures that it complies with all the regulations.

All safety statutory requirements like licenses, mock drills under emergency conditions and testing of manufacturing equipments etc. are being complied with. Requirements of environmental acts and regulations are complied with. Effluent treatment of waste streams and suppression of fugitive emissions through sprinklers is also carried out effectively. Massive tree plantation has been undertaken to improve the greenery all around the plant.

### Green Initiatives

Electronic copies of the Annual Report and Notice of General Meetings are sent to all the Members whose email addresses are registered with the Company for communication purposes. For members who have not registered their email addresses, physical copies of the Notices and Annual Report were sent in the permitted mode. Members requiring physical copies can send a request to the Company.

### Prevention of Sexual Harassment at Workplace

The Company is conscious about gender diversity and promotes equal opportunity employment to have a work where employees hold their head high with dignity.

Your Company has zero tolerance towards any act which may fall under the ambit of Sexual Harassment at work place and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules.

The following is the summary of the Complaints received and disposed-off during the financial year 2019-20:

No. of Complaints received: NIL

No. of Complaints Disposed-off: NIL

### Extract of the Annual Return

Pursuant to Section 92(3) of the Act and Rules 12(1) of the Companies (Management and Administration) Rules, 2014 extract of annual return in form MGT-9 is enclosed as Annexure VI to this Report.

### General

The Notes forming part of the Accounts are self-explanatory or to the extent, necessary, have been dealt with in the preceding paragraphs, of the Report.

### Acknowledgement

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the cooperation extended by them. Your Directors would like to express their appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, financial institutions, employees, Customers, suppliers and other business associates.

**For & on behalf of the Board of Directors**  
**Seya Industries Ltd**

**ASHOK G RAJANI**

Chairman & Managing Director  
Mumbai, July 31, 2020

# ANNEXURE – I

## Criteria for determining Qualifications, Positive attributes and Independence of Directors and Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and Others

### Criteria for determining qualifications, positive attributes and independence of Directors

The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Independence:** A Director will be considered as an 'Independent Director' if he / she met with the criteria for 'Independent Director' as laid down in the Act and the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

### A. Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and Others

#### 1. Objective:

The Nomination, Remuneration and Evaluation policy (the Policy) is in compliance with Section 178 of the Act, read along with the applicable rules thereto and the Listing Regulations

The Main objectives of the policy are as follows:

- 1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, remain and motivate, to run the Company successfully.
- 1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.3. Ensuring that remuneration involves a balance between fixed and incentives pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### 2. Scope:

This Policy applies to the Board of Directors ("the Board"), Key Managerial Personnel ("the KMP") and the Senior Management personnel of Seya Industries Ltd.

This policy sets out guiding principles for the remuneration and nomination committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### 3. Definition:

- 3.1. "Director" means a Director appointed to the Board of the Company.
- 3.2. "Key Managerial Personnel"
  - 3.2.1. The Chief Executive Officer or the Chairman or the Managing Director or the Manager
  - 3.2.2. The Company Secretary
  - 3.2.3. The Whole Time Director
  - 3.2.4. The Chief Financial Officer and
  - 3.2.5. Such other officer as may be prescribed under the Companies Act, 2013
- 3.3. "Nomination and Remuneration Committee" means the committee constituted by the Company's Board in accordance with the provisions of the Act, 2013 and Listing Regulations.
- 3.4. "Senior Management" mean personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

### 4. Accountability:

- 4.1. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- 4.2. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration committee which makes recommendations & nominations to the Board.

### 5. Role of Nomination and Remuneration committee:

- 5.1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on regular intervals and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 5.2. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 5.3. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- 5.4. To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- 5.5. Making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 5.6. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

5.7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,

5.8. To devise a policy on Board Diversity;

5.9. To develop a succession plan for the Board and to regularly review the plan;

## 6. Membership:

6.1. The Committee shall consist of minimum three (3) non-executive directors, majority of them being independent.

6.2. Minimum two (2) members shall constitute a quorum for the committee meeting.

6.3. Membership of the Committee shall be disclosed in the Annual Report.

6.4. Terms of Committee shall be continued unless terminated by the Board of Directors.

## 7. Chairmanship:

7.1. Chairman of the Committee shall be Independent Director.

7.2. Chairman of the Company shall be appointed as a member of the Committee but shall not be a chairman of the Committee.

7.3. In the absence of the chairman, the members of the committee present at the meeting shall choose one amongst them to act as chairman.

7.4. Chairman of the Committee meeting could be present at the Annual general meeting of the Company or may nominate some other member to answer the shareholders queries.

## 8. Frequency of the Meetings:

The meeting of the committee shall be held at such regular intervals as may be required.

## 9. Committee Member's interests:

9.1. A member of the committee is not entitled to be present at the meeting when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

9.2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 10. Secretary:

The Company Secretary of the Company shall act as a Secretary to the committee

## 11. Voting:

11.1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

11.2. In case of equality of votes, the chairman of the meeting will have a casting vote.

## 12. Term / Tenure:

### 12.1. Managing Director / Whole time Director

The Company shall appoint or re-appoint any person as its Managing Director or whole-time director for a term of not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### 12.2. Independent Director:

12.2.1. An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's Report shall be made.

12.2.2. No Independent Director shall hold office for more than two consecutive term of upto maximum of 5 years each, but such independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

12.2.3. Provided that an independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, whether directly or indirectly

12.2.4. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to Seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a whole time director of a listed company or such other number as may be prescribed under the Act.

## 13. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 14. Appointment of Directors / KMPs / Senior Management Personnel:

Enhancing the competencies of the Board and attracting as well as retaining talented employees for the role of KMP / a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration committee has regard to:

14.1 assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;

14.2 the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company

14.3 the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;

14.4 the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

### 14.5 Personal Specification:

- Degree holder in relevant disciplines;
- Experience of Management in diverse organization;

- Excellent interpersonal, Communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

## 15. Duties:

- 15.1** Ensure that there is an appropriate induction & training program in place for new Directors and reviewing its effectiveness;
- 15.2** Ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- 15.3** Identify and recommend Directors who are to be put forward for retirement by rotation.
- 15.4** Determine the appropriate Size, diversity and composition of the Board;
- 15.5** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 15.6** Evaluate the performance of the Board members and Senior Management in the context of the Company's Performance from business and Compliance prospective;
- 15.7** Make recommendation to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 15.8** Recommend any necessary changes to the Board.
- 15.9** Considering any other matters as may be requested by the Board;
- 15.10** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 15.11** To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

## 16. Remuneration of Directors, Key Managerial Personnel and Senior Management:

- (i) The guiding principal is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.
- (ii) The Nominations & Remuneration Committee determines individual remuneration packages for

Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as and when it deems appropriate.

- (iii) The Board on recommendation of Nomination and Remuneration Committee shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- (iv) The Board, on the recommendation of the Nomination and Remuneration Committee shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company. The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

## 16.1. Remuneration to Executive Directors:

### Basic Compensation (Fixed Salaries)

Basic compensation must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day to day activities, usually reviewed on an annual basis; (includes salary, allowances, and other statutory / non-statutory benefits which are normal part of remuneration package in line with market practices).

### Variable Salary:

The Nomination and remuneration committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the committee, based on performance against pre-determined financial and non-financial metrics.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

## 16.2. Remuneration to Non-Executive Directors:

The Board on recommendation of Nomination and Remuneration committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.

## 16.3. Remuneration to other Employees:

Employees may be assigned grades according to their qualification and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**17. Evaluation / Assessment of Directors / KMPs / Senior Management personnel of the Company:**

**17.1.** The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted yearly or at such intervals as may be considered necessary and to satisfy the requirements of the Listing Regulations.

**17.2.** The following criteria may assist in determining how effective the performances of the Directors/KMPs/ Senior officials have been:

- Leadership & stewardship abilities;
- Contributing to clearly define corporate objectives & plans;
- Communication of expectations & concerns clearly with subordinates;
- Obtain adequate, relevant & timely information from external sources;
- Review & approval achievement of strategic and operational plans, objectives, budgets;
- Regular monitoring of corporate results against projections;
- Identify, monitor & mitigate significant corporate risks;
- Assess policies, structures & procedures;
- Direct, monitor & evaluate KMPs, senior officials;
- Review management's succession plan;
- Effective meetings;
- Assuring appropriate Board size, composition, independence, structure;
- Clearly defining roles & monitoring activities of committees;
- Review of corporation's ethical conduct
- Any other parameter which committee may feel appropriate from time to time to evaluate the

performance of the Directors / KMPs / Senior Management Personnel.

**17.3.** Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

**17.4.** The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

**17.5.** Positive Attributes:

In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

**18. Amendment to the Policy:**

**18.1.** The Board of Directors on its own and / or as per the recommendation of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

**18.2.** In case of any amendment(s), clarification(s), circular(s) etc issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then the such amendment(s), clarification(s) or circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under the amendment(s), clarification(s) or circular(s) etc.

**For & on behalf of the Board of Directors  
Seya Industries Ltd**

**ASHOK G RAJANI**

Chairman & Managing Director  
Mumbai, July 31, 2020

## ANNEXURE – II

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 (3) of the Companies Act, 2013 and Rule No. 9 of the Companies (Corporate Social Responsibility) Rule, 2014]

1. A brief outline of the Company's CSR Policy, including overview of Projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes: CSR Policy is appended.  
Web link: <http://www.seya.in/wp-content/uploads/2011/06/CSR-Policy-SEYA.pdf>
2. **Composition of the CSR Committee:**  
Ms. Kalpana Tirpude – Chairman  
Mr. Ashok G Rajani – Member  
Mr. Anand Taggars – Member (upto June 30, 2020)
3. Average Profit Before Tax of the Company for Last three Financial Years: ₹7,557.47 Lakhs
4. Prescribed CSR expenditure (two per cent of the amount as in item no. 3 above)  
The Company is required to spend ₹151.15 Lakhs towards CSR
5. Details of CSR Spend during the financial year:
  - (a) Total Amount spent for the Financial Year: ₹46 Lakhs.
  - (b) Amount unspent, if any: ₹104.43 Lakhs
  - (c) Manner in which the amount spent during the year is detailed in below table:

₹ in Lakhs

Sr. No.	CSR Project / activity	Sector	Location	Budget	Cumulative Expenditure up to reporting period	Direct / Agency
1.	Contribution to 'Chinmaya Seva Trust'	Promotion of Education, Eradication of Hunger & Malnutrition, livelihood enhancement & infrastructure support	Pan India	151.15	46.72	Implementing Agency
<b>Total</b>				<b>151.15</b>	<b>46.72</b>	

During the year ended March 31, 2020, the Company had spent amount in CSR activities through implementing Agency.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives & policy of the Company.

#### CSR POLICY

##### 1. Objective:

The Corporate Social Responsibility Policy (the Policy) is in compliance with Section 135 of the Companies Act, 2013 read with relevant rules and Schedule VII of the Companies Act, 2013.

We, at **SEYA INDUSTRIES LTD**, believe that profitability must be complemented by a sense of responsibility towards all stakeholders. We aim to make a material, visible and lasting difference to the lives of disadvantaged sections of the people. Special emphasis is accorded to balanced spatial distribution of our CSR activities to ensure sustained improvement of marginalized sections of the society. Through our CSR initiatives that focus on holistic and inclusive development of target communities, we endeavour to create long-term social and economic value for both our business and society. We view our CSR interventions as an investment in building corporate reputation, employee engagement and innovation.

##### 2. Definitions:

- **"Act"** means the Companies Act, 2013.
- **"Board"** means Board of Directors of the Company.
- **"Company"** refers to SEYA INDUSTRIES LIMITED.
- **"CSR Committee"** means Corporate Social Responsibility (CSR) Committee of the Company as

constituted or reconstituted by the Board from time to time.

- **"CSR Policy"** means the contents herein including any amendments made by the CSR Committee and the Board of Directors of the Company.
- **"Net profits"** means the net profit before tax of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
  - o Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
  - o Any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, applicable rules and notification to the extent applicable to the Company.

##### 3. Guiding Principles:

- CSR Projects will be directed towards underprivileged and marginalized sections of society, in consonance with properly identified needs and aspirations of such communities.
- Projects should be long-term and viable, creating a sustainable impact measurable in terms of outputs and outcomes.
- The Company will adopt a suitably structured, evidence-based CSR Implementation strategy and all projects will

be monitored through in-house / third party evaluations.

- To the extent possible, projects and various CSR initiatives will focus on the issues of Gender and Affirmative Action.
- The Company will be ethical and transparent in its orientation, while approaching and engaging with communities.

#### 4. Responsibility of the Board of Directors:

The Board shall be responsible for:

- Approving the CSR policy as may be recommended by the CSR Committee, subject to necessary changes / modifications as the Board may deem fit.
- Ensuring that in each financial year, the Company spends such amounts for CSR.
- Activities as may be stipulated in the Act, as amended from time to time.
- Ensuring that the activities included in the CSR Policy are undertaken by the Company.

#### 5. CSR Committee:

- The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.
- The CSR Committee of the Company shall be responsible for:
  - a) Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
  - b) Recommending to the Board, the CSR expenditure to be incurred.
  - c) Monitoring the implementation of the CSR Policy from time to time.

#### 6. CSR Budget:

The amounts to be spent by the Company shall be as stipulated under the Act, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years), and as approved by the Board.

#### 7. Focus areas:

##### i. Vocational Skill Development Programs:

- Unemployment and the lack of a stable source of income is often the result of skill vs. job requirement mismatch. Apart from inadequate training facilities, the ease of accessibility to available training is also an issue for large sections of the marginalized population. Therefore, SEYA intends to strengthen its focus on Skill Development to address critical national and state level skill training gaps. These interventions are expected to assist and result in income generation and social inclusion for youth coming from underprivileged sections of the community.
- SEYA will also address the critical needs of the community around its areas of operation and in locations where skill development interventions are necessary. The objective of these initiatives

is to holistically address various socio-economic needs and aspirations of the community.

##### ii. Education:

- SEYA will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of Society. These Programs will also incorporate awareness and advocacy modules on values and ethics, intended to benefit the community at large, by preparing young people to be better corporate citizens.
- Supporting projects and programs for Quality Education and Development of Children from weaker sections of the society, as considered necessary.

##### iii. Health:

- Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Mute.
- SEYA will promote health care including preventive measures and sanitation. It will undertake programmes to promote comprehensive sanitation and address availability of safe drinking water.

##### iv. Disaster Relief:

Contributions towards disaster relief and rehabilitation through appropriate agencies at the right time, as and when required. In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Act.

#### 8. Implementation:

CSR projects will be implemented in suitable arrangement with credible and competent partners, who have an understanding of local socio-political-economic issues and challenges and vetted through the due diligence process.

The Company shall endeavor to increase employee participation at all levels of the organization by encouraging employees to participate in the Company's CSR activities. In addition, SEYA will also encourage employee engagement through volunteering activities, with appropriate recognition mechanisms for their demonstrated spirit of serving and caring for the community.

#### 9. Monitoring:

CSR Projects will be monitored through a result-based management approach with an appropriate oversight mechanism. Starting with the collection of critical baseline data, the focus will thereafter be on review of progress across specific Indicators and desired milestones. Project selection and progress of projects will additionally be reviewed by the CSR committee on a regular interval.

**10. Modifications in Policy:**

The Policy shall be reviewed by the CSR Committee from time to time for any modifications or amendments, including due to changes in the Companies Act, 2013/ Companies (Corporate Social Responsibility Policy) Rules, 2014. The modifications/ amendments in the Company's CSR Policy, as recommended by the CSR Committee shall be subject to approval of the Board.

**11. Reporting:**

CSR activities will form a part of the Company's Director's Report. The reporting would be in the format prescribed under the Act and the Rules in respect thereof.

**12. Display of CSR activities on Company's website:**

The annual report of CSR activities along with the contents of the CSR policy of the Company shall be displayed on the Company's website.

**For & on behalf of the Board of Directors  
Seya Industries Ltd**

**ASHOK G RAJANI**  
Chairman & Managing Director  
Mumbai, July 31, 2020

# ANNEXURE – III

## FORM NO. MR-3 Secretarial Audit Report For the Financial Year ended March 31, 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

To,  
The Members,  
**Seya Industries Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Seya Industries Ltd** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(Not Applicable during the audit period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not Applicable during the audit period);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **(Not Applicable during the Audit Period);**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not Applicable during the Audit Period); and**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Securities and Exchange Board of India (Buyback of Securities)

Regulations, 2018 - **(Not Applicable during the Audit Period).**

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Payment of Gratuity Act, 1972
- Factories Act, 1948
- Minimum wages Act, 1948
- The Air (Prevention and Control Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974

I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the Period under review there were no changes in the composition of the Board of Directors.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda (wherever Required) were usually sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Decisions at the meeting were taken unanimously and are captured and recorded as part of the minutes of the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Tanvi Shah**

Proprietor, TRS & Associates  
ACS No.: 51337 CP No.: 18666  
UDIN: A051337B000541761

Mumbai, July 31, 2020

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

## Annexure "A"

To,  
The Members,  
Seya Industries Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Tanvi Shah**

Proprietor, TRS & Associates  
ACS No.: 51337 CP No.: 18666  
Mumbai, July 31, 2020  
UDIN: A051337B000541761

## ANNEXURE – IV

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY:

##### a) Energy Conservation Measures taken

- Replaced incandescent lamps in Plant Lighting to LED lamps
- Installation of Automatic Power Factor Controllers (APFC)
- Installation of Variable Frequency Drives (VFD)
- Energy Audit and implementation of recommendations therein
- Recovery and utilization of Flash steam from Process
- Installed Energy Efficient Plate Heat Exchangers as replacement of conventional Heat Exchangers, wherever possible
- Change of Utility pumps to higher efficiency pumps
- Recovery of Low-Pressure Steam from Distillation Column Condensers and usage of same as Process Steam
- Operation of VAM for Chilled water generation on exhaust steam from Turbine
- Reduction of un-burnt carbon in fly ash and bed ash High Pressure Boiler

##### b) Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy

- Reduction, Recovery and Re-use of By-Products from the Process
- Further Replacement of incandescent lamps in Plant Lighting to LED lamps
- Solar Lighting
- Power trading Open Access Mechanism
- Installation of Continuous systems replacing Batch systems, wherever possible
- Further Replacement of existing utility systems with Highly Energy Efficient systems
- System Audit at specific Intervals to identify system leakages in Utilities.

##### c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- The measures described under (a) have been successfully implemented and there has been reduction in the Utility consumption and reduction in usage of conventional fossil fuels.
- With the implementation of measures under (b), there would be further reduction in energy footprint
- The adoption of Energy conservation measures indicated above result in savings in the cost of production

##### d) Steps taken by the Company for using alternate source of energy

- Installation of Vapour Absorption Machine to use low grade waste steam
- Use of Low grade steam for Process

#### B. TECHNOLOGY ABSORPTION:

##### a) Effort made towards Technology absorption

- New Product Development
- Reduction in Batch Cycle Time
- Improvement in yields, purity and overall efficiency of the Production Operations thereby increase in the Capacity of existing Products and reduction in cost of production
- Reduction in waste effluent generation and energy input

- Supervisory Control and Data Acquisition (SCADA) installed for centralised monitoring & Control of process parameters and generating reports
- Further Up-gradation in Technology acquired through in-house innovation and knowledge engineering to achieve better material and energy efficiencies

##### b) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Cost reduction, Energy conservation, Waste minimisation / recycling and reuse,
- Increase Product Quantity & Quality
- Developing processes for value added products and reduction in carbon footprints for environmental improvement.
- Reduction in Capital Outflow for Process Know-How & Technology
- Reduction in Project Cost for Forward Integrated Products
- Increased stock of knowledge to cater to future challenges
- Centralised monitoring of the processes in SCADA, generation of reports from the system and root cause analysis of the process problems.

##### c) In case of Imported technology (imported during the last three years reckoned from the beginning of the financial year):

- Detail of Technology imported: Nil

#### C. RESEARCH AND DEVELOPMENT:

##### a) Specific areas on which R&D is carried out by the Company

The R&D unit is engaged in developmental activities such as developing alternate products and attaining better production efficiencies. Your company accords high priority on R&D to maintain its leadership position and to foster technical excellence

##### b) Benefits derived as a result of above

Your company has been successful in developing new Products and Processes leading to higher standards of Product Quality, Operational Safety, Environmental protection and Energy conservation.

##### c) Future Plan of Action

Your Company's' emphasis will be on adoption of new products and Greener and Safer manufacturing processes to improve overall performance.

##### d) Expenditure incurred on Research and Development:

₹ in lakhs

Particulars	2019-20	2018-19
- Capital Expenditure	-	56.16
- Revenue Expenditure	117.13	359.14
- Total R&D Expenditure	117.13	415.30
(% of Net Sales)	0.45%	1.01%

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ in lakhs

Particulars	2019-20	2018-19
Foreign Exchange Earned	136.46	40.63
Out-go of Foreign Exchange	-	694.27

## ANNEXURE – V

### DISCLOSURE OF MANAGERIAL REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rule 2014

- (a) The ratio of the Remuneration of each Executive director to the median remuneration of the Employees of the Company for the Financial year 2019-20, the percentage increase in remuneration of Key Managerial personnel:

Name of the Directors / KMP	Remuneration (₹ in Lakhs)	Ratio to Median Remuneration of employee	% increase in Remuneration
Mr. Ashok G Rajani (Chairman & Managing Director)	60.00	27.78	-
Mr. Asit Kumar Bhowmik (Director)	27.21	12.60	-
Mr. Amrit Rajani (Chief Financial Officer)	42.00	Not Applicable	-
Ms. Manisha Solanki (Company Secretary)	12.67	Not Applicable	-

- (b) The percentage increase in the median remuneration of the Employee in the financial year: 8.10%
- (c) Number of permanent employees on the rolls of the Company as on March 31, 2020: 131 Employees + 40 (Contractual)
- (d) Average Percentile increase in Remuneration of employees other than Managerial Personnel was 25.51% and there is no average increase in remuneration of Managerial Personnel during the period under review.

Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc., which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

As against above, remuneration for non-managerial personnel is based on an internal evaluation of assigned target areas which are broken into subsets of key result areas of the managerial personnel.

- (e) Explanation on the relationship between average increase in remuneration and Company Performance:  
The average remuneration increase is linked to various parameters like – Company's overall performance, rate of inflation and industry benchmark.
- (f) The Key parameters for variable component of remuneration availed by the Directors:  
During the period under review there were no variable remuneration availed by the Directors of the Company. However, Key parameters include – performance of the Company vis-à-vis individual Director's performance against set Key Result Areas.
- (g) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Directors during the year:  
No Employee of the Company receives remuneration in excess of the highest paid director of the Company.
- (h) Affirmation that the remuneration is as per the Remuneration Policy of the Company:  
It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**For & on behalf of the Board of Directors**  
**Seya Industries Ltd**

**ASHOK G RAJANI**  
**Chairman & Managing Director**

Mumbai, July 31, 2020

# ANNEXURE VI

## Form No. MGT - 9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i.	CIN	<b>L99999MH1990PLC058499</b>
ii.	Registration Date	<b>October 11, 1990</b>
iii.	Name of the Company	<b>Seya Industries Ltd</b>
iv.	Category / Sub-category of the Company	<b>Public Company</b>
v.	Registered office Address and Contact Details	<b>T-14, MIDC, Tarapur, Boisar, Dist. Palghar- 401506</b> ☎022-26732894   📠: 022-26732666 ✉ : info@seya.in, 🌐: www.seya.in
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact Details of the Registrar and Transfer Agent, if any	<b>Universal Capital Securities Private Limited</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093 ☎022-28207203 – 05 📠: 022-28207207 ✉info@unisec.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company:

S r . No.	Name and Description of main Product / Services	NIC Code of the Product / Services	% to total Turnover of the Company
1.	Pigment Intermediates	20-202	51.7
2.	Dye Intermediates	20-202	39.0

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company do not have any Holding, Subsidiary or Associate company

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

##### i. Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year (1-Apr-2019)				No. of Shares held at the end of the Year (31-Mar-20)				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual / HUF	7527259	-	7527259	30.60	4867759	-	4867759	19.79	-10.81
(b) Central / State Govt.	-	-	-	-	-	-	-	-	-
(c) Bodies Corporates	10807741	-	10807741	43.93	10807709	-	10807709	43.93	0.00
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>18335000</b>	<b>-</b>	<b>18335000</b>	<b>74.53</b>	<b>15675468</b>	<b>-</b>	<b>15675468</b>	<b>63.72</b>	<b>-10.81</b>
<b>(2) Foreign</b>									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>18335000</b>	<b>-</b>	<b>18335000</b>	<b>74.53</b>	<b>15675468</b>	<b>-</b>	<b>15675468</b>	<b>63.72</b>	<b>-10.81</b>

Category of Shareholders		No. of Shares held at the beginning of the Year (1-Apr-2019)				No. of Shares held at the end of the Year (31-Mar-20)				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
(1)	Institutions									
i.	Mutual Funds	1998059	-	1998059	8.12	1960656	-	1960656	7.97	-0.15
ii.	Banks / FI	-	1400	1400	0.01	-	1400	1400	0.01	-
iii.	Central Govt.	-	-	-	-	-	-	-	-	-
iv.	State Govt.	-	-	-	-	-	-	-	-	-
v.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi.	Insurance Companies	-	-	-	-	-	-	-	-	-
vii.	FIs	-	-	-	-	-	-	-	-	-
viii.	FPIs	10400	-	10400	0.04	-	-	-	-	-0.04
ix.	Others (Specify) – AIF	7625	-	7625	0.03	136625	-	136625	0.56	0.56
Sub-Total (B) (1)		2016084	1400	2017484	8.20	2097281	1400	2098681	8.53	0.33
(2)	Non-Institutions									
(a)	Bodies Corporate									
i.	Indian	626974	38100	665074	2.70	2512558	35800	2548358	10.36	7.66
ii.	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i.	Individual Shareholders holding nominal share capital upto ₹1 lakh	719046	1185550	1904596	7.74	1273514	1072950	2346464	9.54	1.80
ii.	Individual Shareholders holding nominal share capital in excess of ₹1 lakh	859301	211000	1070301	4.35	1100564	153400	1253964	5.10	0.75
(c)	Others (Specify)									
		10	-	10	0.00	-	-	-	0.00	0.00
i.	Clearing Members	29622	-	29622	0.12	22267	-	22267	0.09	-0.03
ii.	Trust	207290	-	207290	0.84	244100	-	244100	0.99	0.15
iii.	NRIs / OCB	38064	327000	365064	1.48	102596	306500	409096	1.66	0.18
iv.	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
v.	Foreign Nationals	-	-	-	-	-	-	-	-	-
vi.	Foreign Corporate Body	5059	-	5059	0.02	1602	-	1602	0.01	(0.01)
Sub Total (B) (2)		2485366	1761650	4247016	17.26	5257201	1568650	6825851	27.75	10.48
Total Public Shareholding (B) = (B) (1) + (B) (2)		4501450	1763050	6264500	25.47	7354482	1570050	8924532	36.28	10.81
C.	Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Total (A+B+C)		22836950	1763050	24600000	100	23029950	1570050	24600000	100	

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1-Apr-19)			Shareholding at the end of the Year (as on 31-Mar-20)			% change in shareholding during the Year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1.	Ashok G Rajani	4765329	19.37	14.51	2105329	8.56	-	-10.81
2.	Shalini A Rajani	2762430	11.23	-	2762430	11.23	-	-
3.	Sunlife Trusteeship Pvt. Ltd*#	2157495	8.77	-	2157495	8.77	-	-
4.	Ankita Trusteeship Pvt. Ltd*#	2148328	8.73	-	2148296	8.73	-	-
5.	Whiz Enterprise Pvt Ltd*	6501918	26.43	-	6501918	26.43	-	-
6.	Total	18335000	74.53	-	15675468	63.72	-	-10.81

\* Part of Promoter Group

# holding on behalf of various Trusts

## iii. Change in Promoter's Shareholding (Please specify if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1-Apr-18)		Date	Reason	Increase / Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company@			No. of Shares	% of shares of the Company@	No. of Shares	% of total shares of the Company @
1.	Ashok G Rajani	4765329	19.37	01.04.19	No Change	-	-	4765329	19.37
				31.03.20	End of the year	-	-	4765329	19.37
2.	Shalini A Rajani	2762430	11.23	01.04.19	No Change	-	-	2762430	11.23
				31.03.20	End of the year	-	-	2762430	11.23
3.	Sunlife Trusteeship Pvt. Ltd*#	2157495	8.77	01.04.19	No Change	-	-	2157495	8.77
				31.03.20	End of the year	-	-	2157495	8.77
4.	Ankita Trusteeship Pvt. Ltd*#	2148328	8.73	01.04.19	Market Sale	32	0.00	2148296	8.73
				31.03.20	End of the year	-	-	2148296	8.73
5.	Whiz Enterprise Pvt. Ltd*	6501918	26.43	01.04.19	No Change	-	-	6501918	26.43
				31.03.20	End of the year	-	-	6501918	26.43

\* Part of Promoter Group

# holding on behalf of various Trust

@ % have been calculated on share capital of the Company as on March 31, 2020

## iv. Shareholding pattern of Top Ten Shareholders (Other than directors, promoters and holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company*	No. of Shares	% of Total Shares of the Company*
1.	<b>Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund</b>				
	At the beginning of the year	1998059	8.12	1998059	8.12
	Bought during the year	-	-	1998059	8.12
	Sold during the year	(37403)	(0.15)	1960656	7.97
	At the end of the year	1960656	7.97	1960656	7.97
2.	<b>Beacon Trusteeship Ltd – A/c. S C India Credit Fund(SCICF)<sup>1</sup></b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	2660000	10.81	2660000	10.81
	Sold during the year	(700785)	(2.85)	1959215	7.96
	At the end of the year	1959215	7.96	1959215	7.96
3.	<b>Jayesh M Parmar</b>				
	At the beginning of the year	387152	1.57	387152	1.57
	Bought during the year	-	-	387152	1.57
	Sold during the year	(29500)	0.12	357652	1.45
	At the end of the year	357652	1.45	357652	1.45
4.	<b>Zillow Real Estate LLP</b>				
	At the beginning of the year	264834	1.08	264834	1.08
	Bought during the year	-	-	264834	1.08
	Sold during the year	(26697)	(0.11)	238137	0.97
	At the end of the year	238137	0.97	238137	0.97
5.	<b>Govindshree Securities Fiscal Ltd</b>				
	At the beginning of the year	231725	0.94	231725	0.94
	Bought during the year	34433	0.14	266158	1.08
	Sold during the year	(35633)	(0.15)	230525	0.94
	At the end of the year	230525	0.94	230525	0.94

Sr. No.	Name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company*	No. of Shares	% of Total Shares of the Company*
6.	<b>Khatri Family Trust</b>				
	At the beginning of the year	207290	0.84	207290	0.84
	Bought during the year	83533	0.34	290823	1.18
	Sold during the year	(46723)	(0.19)	244100	0.99
	At the end of the year	244100	0.99	244100	0.99
7.	<b>Abakkus Emerging Opportunities Fund</b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	129000	0.52	129000	0.52
	Sold during the year	-	-	129000	0.52
	At the end of the year	129000	0.52	129000	0.52
8.	<b>Prakash Jaisingh</b>				
	At the beginning of the year	117358	0.48	117358	0.48
	Bought during the year	2444	0.01	119802	0.49
	Sold during the year	(3677)	(0.02)	117358	0.48
	At the end of the year	117358	0.48	117358	0.48
9.	<b>Deepa Jaisingh</b>				
	At the beginning of the year	120300	0.49	120300	0.49
	Bought during the year	-	-	120300	0.49
	Sold during the year	-	-	120300	0.49
	At the end of the year	120300	0.49	120300	0.49
10.	<b>Heera Ahuja</b>				
	At the beginning of the year	63126	0.26	63126	0.26
	Bought during the year	32343	0.13	95469	0.39
	Sold during the year	(32311)	(0.13)	63119	0.26
	At the end of the year	63119	0.26	63119	0.26

\* % have been calculated on share capital of the Company as on March 31, 2020

**Note:**

- During the year, SCICF became a shareholder vide invocation of shares pledged by Mr. Ashok G Rajani, which were offered as collateral in relation to Non-Convertible Debentures(NCD) issued by the Company to SCICF. The Company has contested this wrongful invocation and initiated appropriate legal proceedings. However, pending outcome such legal proceedings, the company has acknowledged SCICF as a shareholder in full settlement of its outstanding NCD in accordance with the Terms of the Debenture subscription agreement as entered with SCICF
- The above information is based on the weekly benpos received from depositories.
- The date wise increase / decrease in shareholding of the top 10 shareholders are available on the website of the Company [www.seya.in](http://www.seya.in)

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company <sup>1</sup>	No. of Shares	% of total shares of the Company <sup>1</sup>
1.	<b>Mr. Ashok G Rajani – Managing Director</b>				
	At the beginning of the Year	4765329	19.37	4765329	19.37
	Bought during the year	-	-	4765329	19.37
	Sold During the year	(2660000)	(10.81)	2105329	8.56
	At the end of the year	2105329	8.56	2105329	8.56
2.	<b>Mr. Asit Kumar Bhowmik – Executive Director</b>				
	At the beginning of the Year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold During the year	-	-	-	-
	At the end of the year	-	-	-	-
3.	<b>Mr. Amrit Rajani – Chief Financial Officer</b>				
	At the beginning of the Year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company1	No. of Shares	% of total shares of the Company1
4.	<b>Ms. Manisha Solanki – Company Secretary</b>				
	At the beginning of the Year	390	0.00	390	0.00
	Bought during the year	-	-	390	0.00
	Sold During the year	-	-	390	0.00
	At the end of the year	390	-	390	0.00

Note:

1. % have been calculated on share capital of the Company as on March 31, 2020

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹ in Lakhs

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year (as on 1-Apr-19)</b>				
i. Principal amount	51,776.18	--	--	51,776.18
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	--	--	--	--
<b>Total (i. + ii. + iii.)</b>	<b>51,776.18</b>	<b>--</b>	<b>--</b>	<b>51,776.18</b>
Change in indebtedness during the financial year				
i. Addition	25,482.33	310.54	--	25,792.87
ii. Reduction	(702.85)	--	--	(702.85)
<b>Net Change</b>	<b>24,779.48</b>	<b>310.54</b>	<b>--</b>	<b>25,090.02</b>
<b>Indebtedness at the end of the financial year (as on 31-Mar-20)</b>				
i. Principal Amount	76,555.66	310.54	--	76,866.20
ii. Interest due but not paid	112.73	--	--	112.73
iii. Interest accrued but not due	--	--	--	--
<b>Total (i + ii + iii)</b>	<b>76,668.39</b>	<b>310.54</b>	<b>--</b>	<b>76,978.93</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration paid to Managing Director, whole time Directors and / or Manager:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Mr. Ashok G Rajani Managing Director	Mr. Asit Kumar Bhowmik Executive Director	Total Amount
1.	<b>Gross Salary</b>			
a.	Salary As per provisions contained in Section 17(1) of the Income-Tax Act, 1961	60.00	27.21	87.21
b.	Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	-	-	-
c.	Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of Profit			
	- Others (Specify)			
5.	Others (PF, Insurance, Bonus etc.)	-	-	-
	<b>Total (A)</b>	<b>60.00</b>	<b>27.21</b>	<b>87.21</b>
	<b>Ceiling as per the Act (@ 10% of net profits calculated under Section 198 of the Companies Act, 2013)</b>			<b>519.67</b>

**B. Remuneration to Other Directors:**

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Mr. Anand Taggarsi	Ms. Kalpana Tripude	Total Amount
<b>1.</b>	<b>Independent Directors</b>			
a.	Fees for attending Board / Committee Meetings	0.35	0.25	0.60
b.	Commission	-	-	-
c.	Others, please specify	-	-	-
	<b>Total (B1)</b>	<b>0.35</b>	<b>0.25</b>	<b>0.60</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>			
a.	Fees for attending Board / Committee Meetings	-	-	-
b.	Commission	-	-	-
c.	Others, please specify	-	-	-
	<b>Total (B2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (B1) + (B2)</b>	<b>0.35</b>	<b>0.25</b>	<b>0.60</b>
Over all ceiling as per the Act (11% of the net profits of the Company calculated as per Section 198 of the Act. Sitting fees paid is within the limit of INR 100,000 per meeting as prescribed under the Act)				571.63

**C. Remuneration to Key Managerial Personnel (Other than MD/ Manager / WTD):**

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Amrit Rajani Chief Financial Officer	Ms. Manisha Solanki Company Secretary
<b>1.</b>	<b>Gross Salary</b>		
a.	Salary As per provisions contained in Section 17(1) of the Income-Tax Act, 1961	42.00	12.12
b.	Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	--	--
c.	Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961		
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission	--	--
	- As % of Profit		
	- Others (Specify)		
5.	Others (PF, Insurance, Bonus etc.)	--	0.55
	<b>Total</b>	<b>42.00</b>	<b>12.67</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

For &amp; on behalf of the Board of Directors

**ASHOK G RAJANI**

Chairman &amp; Managing Director

Mumbai, July 31, 2020

# REPORT ON CORPORATE GOVERNANCE

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. At SEYA, it is imperative that our Company affairs are managed in a fair and transparent manner.

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, we are, because of our 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, not just in letter but in spirit as well.

## 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 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. 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.

The Company has an active, experienced and a well-informed Board. The Board along with its committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable [including relaxations granted by SEBI in wake of COVID-19], with regard to Corporate Governance and the same has been disclosed in this Report. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

## BOARD OF DIRECTORS ("THE BOARD")

### Composition of the Board

The Composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ("the Act"). As on March 31, 2020, the Board comprise five members, Three Non-Executive Independent Director (NEID) including a Woman Director and two Executive Directors. The Company has Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. Managing Director and Independent Directors are not liable to retire by Rotation

Your Directors have rich and varied experience in the fields of business management, chemicals, Banking & Finance, project management, risk management, international operations, marketing, HR, Corporate Governance and bring in extensive knowledge and expertise to the Board. The Board provides strategic guidance to the Company and ensures effective monitoring of the management. It also monitors effectiveness of Company's corporate Governance Process.

None of the Directors on the Board is a Member of more than ten Committees and Chairman of more than five Committees as per Regulation 26 of the Listing Regulations across all the companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other. None of the directors are disqualified under section 164 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Directors of the Company is related to each other and there is no inter-se relationship between the Directors. As on March 31, 2020, Mr. Ashok G Rajani holds 21,05,329 Equity Shares of the Company. Apart from him no other directors hold any shares in the Company.

### Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director apprises the Board on the overall performance of the Company. The Managing Director's report was circulated to the Board. The Board also, inter alia, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major legal issues, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions, corporate restructuring, minutes of the meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17 (7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

The Company Secretary monitors the Board and Committee Proceeding to ensure that terms of reference / charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. Meeting effectiveness is ensured through clear agenda, pre-circulation of material in advance, detailed presentations at the meetings and tracking of the action taken report. Additional, based on the agenda, the Board / committee meetings are attended by members of the senior leadership as invitees, which bring in the requisite accountability and provide developmental inputs.

In order to reduce paper consumption and maximum utilisation of technology, the Company is using e-mail system for transmitting the agenda and pre-reads for the Board and Committee meetings. The Directors receive the agenda and pre-reads for the Board and Committee meetings in electronic form through e-mail.

Minimum four pre-scheduled meetings 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, B-12, Ghanshyam Chamber, Off Link Road, Andheri (West), Mumbai – 400053.

### Meetings held

The Board met Seven times on the following dates during the Financial Year (FY) 2019-20.

April 05, 2019	November 14, 2019
April 19, 2019	November 22, 2019
May 14, 2019	February 14, 2020
August 05, 2019	

The gap between two meetings did not exceed One Hundred Twenty days and the meeting were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meeting.

Detailed presentation is made to apprise the Board of important developments in Industry, segments, business operations, marketing, products etc whenever required.

The Minutes of the Board meeting are circulated as per the requirement of SS-1 to all Directors and it is confirmed in the subsequent Board meeting.

The Board Periodically reviews Compliances of all laws applicable to the Company, including the steps taken, to rectify instances of non-Compliances, if any.

None of the Directors of the Company is related to each other and there are no Inter-se relationship between the Directors.

Details of Boards meeting and AGM attended by Directors are given in the appended table:

Name of the Director	No. of Meetings during the Year		Attended Last AGM	No. of Directorship in other Public Companies	Member / Chairman of Committees other Public Companies
	Held	Attended			
Mr. Ashok G Rajani – Managing Director	7	7	Yes	-	-
Mr. Asit Kumar Bhowmik – Executive Director	7	7	Yes	-	-
Mr. Anand Taggarsari – Independent Director*	7	7	Yes	1	3
Ms. Kalpana Tirpude – Independent Director	7	6	No	-	-
Mr. Ronen Joshi – Independent Director (w.e.f. February 06, 2020)	7	1	NA	-	-

\* resigned from the post of Director with effect from July 01, 2020

### Skills / expertise / competencies of the Board of Directors

The Board of the Company is highly experienced and competent to ensure a high degree of diversity by education / qualifications, professional background, sector expertise, and skills.

The Current composition of the Board meets the requirements of skills, expertise and competencies.

### Independent Director

#### Terms and conditions of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company and the weblink is <http://www.seya.in/wp-content/uploads/2011/06/TC-of-Independent-Directors-Seya.pdf>

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence as indicated in the Act and Listing Regulations.

Independent Directors have confirmed that they are not aware of any circumstances or situations which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the Independent Directors of the Company have confirmed that they have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

None of the Independent Director of the Company is whole time director of any listed Company and does not serve as an Independent Director in more than seven listed Companies. The Independent Directors are appointed for a term of five years (eligible for reappointment of Second term of Five Year) or upto the age of retirement, whichever is earlier.

### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members

of management, was held on February 14, 2020 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of executive and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonable perform their duties.

### Familiarisation Programme for Independent Director

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment applicable to it. These include orientation programme upon induction of new directors as well as other initiative to update the Directors on a continuing basis.

Pursuant to Regulation 46 of the Listing Regulations, the details of the familiarisation programme for Directors are available on the website of the Company at [http://www.seya.in/wp-content/uploads/2011/06/Familiarization-Program\\_for-Independent-Directors-Seya.pdf](http://www.seya.in/wp-content/uploads/2011/06/Familiarization-Program_for-Independent-Directors-Seya.pdf)

### Appointment and Re-appointment

As required under Regulation 26(4) and 36 (3) of the Listing Regulations, particulars of the Directors seeking re-appointment are given in the Explanatory Statement to the Notice of AGM.

### Code of Conduct

The Board has prescribed the Code of Conduct for Board Members and Senior Management. The code has been circulated to Directors and Management. The Board has adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act (code for Independent Directors) and Regulation 17 (5) of the Listing Regulations, both of which are available on the Company's website at <http://www.seya.in/wp-content/uploads/2011/06/Code-of-Conduct-Seya-.pdf>

All the Board members and Senior Management of the Company as on March 31, 2020 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director, forms part of this report.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Act as Non-Executive Directors, none of the Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates.

The Senior Management of the Company have made disclosures to the Board confirming that there is no material, financial and / or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

## AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee ("the Committee") functions according to its charter that defined its compositions, authority, responsibilities and reporting functions.

### Composition and Attendance

Name of the Member	No. of Meetings during the year	
	Held	Attended
Mr. Anand Taggarsi - NEID (Chairman)	4	4
Ms. Kalpana Tirpude – NEID	4	4
Mr. Ashok G Rajani–ED	4	4

NEID - Non-Executive Independent Director

ED – Executive Director

### Terms of Reference

Terms of reference of Audit Committee Covers all the matters prescribed under the Regulation 18 of the Listing Regulations, and Section 177 of the Act, which inter alia include:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc;
- Evaluate auditors' performance, qualification, independence and effectiveness of Audit process;
- Recommend to the Board, the appointment, reappointment, removal of the external auditors, fixation of audit fees and also approval for payment for audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Review the Company's compliance with the legal and regulatory requirements, Code of Conduct and effectiveness of the system for monitoring the same;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading.
- Scrutinise inter corporate loans and investments, if any;

- Review the functioning of Whistle Blower Mechanism of the Company which include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner.
- Review the significant related party transactions.
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with internal auditors of any significant findings and follow ups there on;
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Reviewing company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk arrangement;
- Review and approve Enterprise Risk Management (ERM) framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk and reputational risk, as well as the guideline, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review and analyse risk exposure related to specific issue, concentrations and limit excesses, and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach / trigger trips of risk tolerance limits and directs action;
- Nurture a healthy and independent risk management function in the Company;
- Carrying out any other function as mentioned in the terms of reference of the Audit & risk Management Committee.

### Meetings held

During FY 2019-20 Four Meetings of Audit and Risk Management Committee were held on the following dates:

May 14, 2019	November 14, 2019
August 05, 2019	February 14, 2020

The gap between two meetings did not exceed one hundred and twenty days.

The Company Secretary acts as the Secretary to the Committee. The Composition of the Committee is in conformity with Section 177 of the Act and Regulation 18 (1) of the Listing Regulations.

During the period under review the Committee has recommended to the Board the re-appointment statutory auditors and Appointment of Cost Auditors. The Committee also reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The minutes of each of the Audit Committee are placed in the next

meeting of the Board. Chairman of the Committee were present at the last AGM held on September 27, 2019

#### NOMINATION AND REMUNERATION COMMITTEE (NRC)

The purpose of the NRC is to oversee the selection of members of the Board based on criteria related to the specific requirement of expertise, independence and execution. Further the role of NRC is also to identify and select senior management personnel on level below the Board. The NRC shall also evaluate the performance of the Board members, inclusive of the executive members based on the expected performance criteria.

#### Meetings Held

During FY 2019-20 One meeting of NRC were held on May 14, 2019, The Necessary quorum was present for the meeting of the Committee.

#### Composition

The Nomination and Remuneration Committee comprised of three members viz,

Name of the Director	Designation in the Committee
Mr. Anand Taggarsi*	Chairman
Mr. Ashok G Rajani	Member
Ms. Kalpana Tirpude	Member
Mr. Ronen Joshi (14.02.2020)	Member

\* resigned w.e.f. July 1, 2020

#### 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;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Devise a policy on Board diversity;
- To recommend remuneration of Managing Director and whole-time directors of the Company;
- To recommend to the Board, the appointment of KMP and executive team members;
- To carry out any other function as is mandated by the Board from time to time;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;
- Oversee familiarisation programmes for Directors;
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either;
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP and executive team members;
- Perform other activities related to the charter as requested by the Board from time to time;

#### Performance Evaluation of Board, Committees and Directors

During the year, the Board has carried out an annual evaluation of its performance, performance of the Directors as well as the evaluation of working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include, inter alia, degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning etc as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India and pursuant to amendments to the Listing Regulations.

#### Criteria for evaluation

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board / Committee meetings and guidance / support to management outside Board / Committee meetings.

In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members, motivating, and providing guidance to the Board Members.

Criteria for evaluation of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.

#### Non-Executive Director's compensation and disclosures

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.

#### Remuneration Policy

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

##### 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. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company.

##### b. Non-Executive Directors

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

**Details of Remuneration Paid (FY 2019-20)**

₹ in lakhs

Director	Salary*
Mr. Ashok G Rajani – Managing Director	60.00
Mr. Asit Kumar Bhowmik – Executive Director	27.21

\* Includes perquisites and other allowances

**Service, Contract, Severance Fees and Notice Period**

Terms of Agreement of Managing Director	Mr. Ashok G Rajani
Period of Contract	5 years upto September 24, 2024.
Severance Fees / Notice Period	The Contract may be terminated by either party given the other party 6 months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

**Succession Plan**

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

**STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)****Composition**

Committee performs various functions conferred under the Listing Regulations and Section 178 of the Act, which mainly covers ensuring resolution of grievances or security holders of the Company.

Name of the Directors	Designation in the Committee
Mr. Anand Taggarsai*	Chairman
Mr. Ashok G Rajani	Member
Ms. Kalpana Tirpude	Member

\* resigned w.e.f. July 01, 2020

**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**

During the period under review, two meetings were held on August 05, 2019 and February 14, 2020 requisite quorum were present in the meeting

**Status of Investor Complaints**

Complaints as on April 1, 2019	0
Received during the year:	13
Resolved During the year:	13
Pending as on March 31, 2020	0

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies

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

Ms. Manisha Solanki, (Company Secretary)

Seya Industries Ltd

502, Ghanshyam Chamber, B-12,

New Link Road, Andheri (West), Mumbai – 400053

✉: corporate@seya.in

On the recommendations of the Committee, the Company has taken various investor friendly initiatives like sending reminders to the investors who have not claimed their dividends and encourage dematerialisation of shares etc.

Mr. Anand Taggarsai, Chairperson of the SRC, was present at the last AGM held on September 27, 2019

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

Corporate Social Responsibility at the Company stems from the ideology of providing sustainable value to the society in which the Company operates and contributing towards development of the underprivileged sections of the society.

**Terms of Reference**

The terms of reference of the CSR Committee are as under:

- Review and monitor the sustainability, environmental safety and health policies and activities across the Company
- Provide guidance to the management to ensure that all long-term strategic proposals made to the Board includes safety, health environment and sustainability implications;
- Investigate or cause to be investigated, any extraordinary negative sustainability, environment and sustainability where appropriate;
- Formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act and have oversight over its implementations;
- Recommend the amount to be spent on CSR activities;
- Monitor the Company's CSR Policy periodically.

The Board has also adopted the CSR policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

**Compositions**

The CSR Committee comprised of members viz,

Name of the Directors	Designation in the Committee
Ms. Kalpana Tirpude	Chairman
Mr. Ashok G Rajani	Member
Mr. Anand Taggarsai*	Member

\* resigned w.e.f. July 01, 2020

**Meetings**

During the period under review, one meeting was held on February 14, 2020. The Necessary quorum was present for the Meeting. The Company Secretary attends the meetings.

**SUBSIDIARY COMPANIES**

The Company does not have any subsidiary; hence, disclosure with respect to "material non-listed Indian subsidiaries" is not applicable.

**RISK MANAGEMENT**

During the period under review, Regulation 21 of the Listing Regulations was not applicable to the Company hence the Company is not required to constitute the Risk Management Committee. However, 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 in place Audit and Risk Management Committee, which has established procedures to periodically place before the Audit & Risk Management

Committee and the Board, the risk assessment and minimisation procedures followed by the steps taken by it to mitigate these risks.

## RELATED PARTY TRANSACTION

The Company has formulated a Policy on Materiality of Related Party transactions and on dealing with Related Party Transaction (RPTs). During the year under review, besides the transactions reported in the Notes to accounts under Indian Accounting Standard (IND AS-24), there were no materially significant related party transactions entered into by the Company with promoters, directors, KMPs or other designated person which may have potential conflict with the interest of the Company at Large. During FY 2019-20, all the transactions with related parties were in normal course of business and at arm's length Price. The Interest of Directors, if any, in transactions are disclosed at the Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. The Policy on RPTs is uploaded on the Company's Website and the web link is <http://www.seya.in/wp-content/uploads/2011/06/Related-Party-Transactions-Policy-Seya.pdf>

## MEANS OF COMMUNICATION

All price-sensitive information and matters that are material to shareholders are disclosed to the stock exchanges where the securities of the Company are listed. All submissions to the exchange are made through electronic filing system provided by the exchange

### i. Quarterly results

The quarterly, half-yearly and annual results are published within 48 hours of the meeting for that quarter. Quarterly results are published in Aapla Mahanagar (Marathi), Business Standards (English) and Financial Express (English) and are displayed on 'www.seya.in' after its submission to the Stock Exchanges.

### ii. Shareholding Pattern, Corporate Governance Report and financial results are uploaded on listing centre maintained by the stock exchanges.

### iii. Website

The Company's website ([www.seya.in](http://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.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges online Portals. They are also displayed on the Company's website.

## GENERAL MEETING DETAILS

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
2016-17	27-Sep-17	2:00 p.m.	NIL
2017-18	28-Sep-18	2:00 p.m.	One
2018-19	27-Sep-19	3:00 p.m.	One

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

## 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

### Book Closure Period

The register of members and share transfer books of the Company shall remain closed from Sunday, December 20, 2020 to Saturday, December 26, 2020 (both days inclusive for the purpose of AGM)

### Listing

The Equity Shares of the Company are listed on the BSE Ltd and National Stock Exchange of India Limited (with effect from July 11, 2019). The Company has paid the requisite Annual Listing fees to these Stock Exchanges in full

### Market Price Data

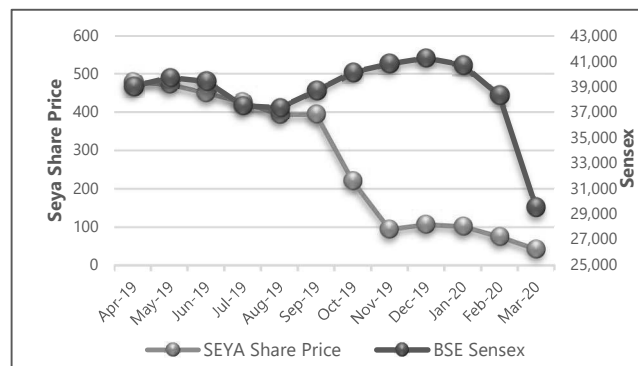
High / Low during each month in last financial year is follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-19	550.00	453.00	-	-
May-19	509.00	432.90	-	-
Jun-19	473.95	418.00	-	-
Jul-19*	488.80	400.10	499.90	400.00
Aug-19	435.00	385.00	475.00	350.30
Sep-19	488.00	369.00	451.80	380.00
Oct-19	409.00	210.05	402.00	209.00
Nov-19	238.60	85.55	224.50	86.05
Dec-19	130.75	66.10	130.75	66.10
Jan-20	122.90	96.00	123.45	96.00
Feb-20	103.10	73.05	104.00	72.85
Mar-20	73.65	38.60	74.75	38.95

\* Shares of the Company got listed on NSE w.e.f. July 11, 2019

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Performance of SEYA's share price in comparison to BSE Sensex



### Share Transfer Process

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. This will, inter alia, bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will lead to ease, convenience and safety of transactions for investors.

The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to discrepancies. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

In view of the aforesaid amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

#### Distribution of Shareholding as on March 31, 2020

No. of Shares held	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	1508905	6.13	10507	92.99
501-1000	319666	1.30	407	3.60
1001-2000	245154	0.99	165	1.46
2001-3000	179729	0.73	70	0.62
3001-4000	73721	0.30	21	0.19
4001-5000	127877	0.52	27	0.24
5001-10000	307500	1.25	41	0.36
> 10001	21837448	88.77	61	0.54
<b>Total</b>	<b>24600000</b>	<b>100.00</b>	<b>11299</b>	<b>100.00</b>

#### Category of Shareholding as on March 31, 2020

Category	No. of Shares	Percentage %
Promoter & Promoter Group	15675468	63.72
Individual Shareholders	2906097	11.81
Mutual Funds	1960656	7.97
Financial Institutions	1400	0.01
Others	4056379	16.49
<b>Total</b>	<b>24600000</b>	<b>100.00</b>

#### Dematerialisation shares and liquidity

The Company's Equity Shares are compulsorily traded in dematerialised form and are available for trading on both the depository viz CDSL and NSDL. ISIN no. is INE573R01012

Particulars	2019-20	2018-19
% of Shares held in physical form	6.38	7.17
% Electronic form with CDSL	59.54	61.55
% Electronic form with NSDL	34.08	31.28

#### Foreign Exchange Risk and Hedging Activities

In terms of the Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual report. Disclosure relating to risk including commodity price risk, foreign exchange risk etc. have been adequately covered under the Management Discussion and Analysis Report.

#### Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

Not Applicable

#### Plant Location

T-13/T-14, Tarapur Industrial Area, MIDC, Boisar,  
Dist. Palghar – 401506

#### Address for Correspondence

Seya Industries Ltd  
502, Ghanshyam Chamber, B-12, New Link Road  
Andheri (West), Mumbai – 400053.  
E-mail: corporate@seya.in  
Website: www.seya.in

#### Registrar & Transfer Agent

Members are requested to correspond with the company's Registrar & Transfer Agent quoting their folio no. / DP ID and client ID at the following address:

#### Universal Capital Securities Pvt. Ltd

Unit: Seya Industries Ltd

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

☎022-28207203-05 📠: 022-28207207

✉info@unisec.in

#### Receipt of Financial Statement / other Documents through Electronic Mode

As servicing of documents to Shareholders, including Notice of Annual General Meeting, Financial Statements, etc. is permitted through electronic mail the Company will send the Annual report and other documents in electronic form to those Shareholders whose e-mail address is registered with the Company's Registrar and Transfer Agent – Universal Capital Securities Private Limited.

#### Secretarial Audit

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with CDSL and NSDL)
- M/s TRS & Associate, Practicing Company Secretary has conducted a Secretarial Audit of the Company for FY 2019-20. Their Audit report confirms that the Company has complied with applicable provisions of the Act, and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the Applicable SEBI Regulations. The Secretarial Audit Report forms the Part of the Board's Report.

#### Certificate from Practising Company Secretary

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Ms Disha Shah of Disha Shah & Associates, Practicing Company Secretaries confirming compliance with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2020

#### DISCLOSURES

##### Code of Conduct for Prevention of Insider Trading

The Company has adopted the Seya Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. Company Secretary is the Compliance officer for the purpose of this code.

During the year, the Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulation 2015. As per the revised Code, the Company also adopted policy on Enquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination if Legitimate Purposes is also available on the website of the Company.

### Other Policies Under the Listing Regulations

Policy on determination of materiality for disclosure as per regulation 23 of the Listing Regulations and Policy on Archival and preservation of Documents as required under Regulation 9 of the listing Regulations are available on the website of the Company at [www.seya.in](http://www.seya.in)

### Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

### 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.

### Whistle-blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower policy and Vigil Mechanism to provide a formal mechanism to the Directors and 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 no personnel of the Company has been denied access to the Audit Committee.

The Whistle-blower Policy has been uploaded on the website of the Company at [http://www.seya.in/wp-content/uploads/2011/06/Whistleblower-policy\\_SEYA\\_1.pdf](http://www.seya.in/wp-content/uploads/2011/06/Whistleblower-policy_SEYA_1.pdf)

### CEO / CFO Certification

The Managing Director (CEO) and Chief Financial Officer have certified to the Board in accordance with regulation 17 (8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended March 31, 2020

### Utilisation of funds raised through Qualified Institutions Placement

During the period under review no funds were raised through Qualified Institutions Placements. However, the company had issued Compulsory Convertible Preference Shares on preferential allotment basis and the funds raised through Preferential Allotment have been utilised fully in accordance with the objects stated in the offer document.

### Fees paid to Statutory Auditor

During FY 2019-20, total fees of ₹ 6.48 Lakhs was paid by the Company for all the services to Statutory Auditors of the Company

### Confirmation by the Board of Director's acceptance of recommendations of Committees

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its committee.

### Mandatory requirements

The Company has fully complied with all the applicable mandatory requirements of Listing Regulations relating to Corporate Governance.

### Non-Mandatory requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory

requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- 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 unmodified audit opinion.
- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication"
- The Internal Auditor reports to the Audit Committee.

### DECLARATION BY MANAGING DIRECTOR

I, Ashok G Rajani, Managing Director of Seya Industries Ltd, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed the Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in accordance with Regulation 26(3) of the Listing Regulations for the year ended March 31, 2020.

#### For Seya Industries Ltd

**Ashok G Rajani**  
Managing Director  
Mumbai, July 31, 2020

### PRACTISING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

#### SEYA INDUSTRIES LTD

We have examined the compliance of the conditions of Corporate Governance by Seya Industries Ltd ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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, and the representations made by the Directors and the management and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

#### Disha Shah and Associates

Practicing Company Secretary

#### Disha Shah

Proprietor  
Mumbai, July 31, 2020  
ACS No.: A46867 CP No.: 19235  
UDIN: A046867B000542164

# INDEPENDENT AUDITOR'S REPORT

To the Members of

**SEYA INDUSTRIES LTD**

**Report on the Standalone Financial Statements**

## Opinion

We have audited the accompanying standalone Financial Statements of SEYA INDUSTRIES LTD ('The Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other Comprehensive income), the statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Due to COVID-19 lockdown throughout the country since last week of March 2020, we have adopted alternative methodologies solutions in performing our audit procedures. We have determined the matters described below to the Key Audit Matters to be communicated in the Report.

The Key Audit Matter	How the matter was addressed in our audit
<i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i>	<p>Principal Audit Procedure</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> </ul>

## Information other than the standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained

during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules thereunder. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibility for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give, in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit & Loss, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
  - e. On the basis of written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and belief and according to the information and explanations given to us:
- The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Standalone Financial Statements.
  - The Company did not have any long-term contracts including derivatives contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - There has not been any occasion in case of the Company during the year under report to transfer any sum to the investor Education and protection Fund, hence the question of delay in transferring such sums does not arise.
  - The disclosure in the Standalone Financial Statements regarding holding as well as dealing in specified bank notes during the period from November 08, 2016

to December 30, 2016 have not been made in these Financial Statements since they do not pertain to the Financial Year ended March 31, 2020

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration policy by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in the excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **ANIL CHAUHAN & ASSOCIATES**

Chartered Accountants  
Firm Registration No.: 0140786W

**Anil Chauhan**

Proprietor

**Membership No. 166286**

Mumbai, July 31, 2020

UDIN: 20166286AAAAAC3914

# "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

## i. Property, Plant and Equipment

- The Company has maintained proper records showing particulars pertaining to property, plant and equipment;
- The Company has a program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of Three years, which in our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. Pursuant to the program certain items of property, plant and equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties are held in the name of the Company.

## ii. Inventories

- The inventories, except goods-in-transit, were physically verified at reasonable intervals by the management during the year and no material discrepancies were noticed on such physical verification.

## iii. Loans and Advances

According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (b) and (c) of the order are not applicable to the Company.

## iv. Loans, Investments and Guarantee

The Company has not granted any loans, made any investments, given any guarantees and provided any security pursuant to the provisions of Section 185 & Section 186 of the Act.

## v. Deposits

According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, provisions of paragraph 3(v) of the Order are not applicable to the Company.

## vi. Cost Records

The Company has maintained cost records under Sub-Section 1 of Section 148 of the Act. We have not carried out any detailed examination of such records.

## vii. Statutory Dues

- According to information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues have been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service tax, Central Sales-tax, Customs duty, Excise duty, Value Added Tax, Cess and other undisputed statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable or any extension granted due to Covid-19 pandemic.
- In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to Investor Education and Protection Fund.

## viii. Dues to Financial Institutions and Banks

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of Loans or Borrowings to Financial Institutions/ Banks and dues to debenture holders. Attention is drawn to footnote no. 14(i) and 30.1 of accompanying Financial Statements.

## ix. Money Raised

The Company has not raised moneys by way of initial public offer or further public offer during the year. However, on April 05, 2019 the Company has issued and allotted 19,70,540 Compulsory Convertible Preference Shares (CCPS) on private placement basis. Such Money raised by issuing CCPS was applied for the purpose for which it was obtained.

## x. Frauds Noticed

According to the information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

## xi. Managerial Remuneration

In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

## xii. Nidhi Company

In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

## xiii. Compliance with Section 177 & 188 of the Act

In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Ind AS.

## xiv. Preferential Allotment

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has allotted and issued 19,70,540 Compulsory Convertible Preference shares on private placement basis and provisions of Section 42 of the Act have been duly complied with.

## xv. Non-Cash Transactions

According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable to the Company.

## xvi. Section 45-IA of the Reserve Bank of India Act, 1934

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3 (xvi) of the Order are not applicable to the Company.

For **ANIL CHAUHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 0140786W

**Anil Chauhan**  
Proprietor

**Membership No. 166286**  
Mumbai, July 31, 2020  
UDIN: 20166286AAAAAC3914

# "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Seya Industries Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk if a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANIL CHAUHAN & ASSOCIATES**

Chartered Accountants  
Firm Registration No.: 0140786W

**Anil Chauhan**

Proprietor

**Membership No. 166286**

Mumbai, July 31, 2020

UDIN: 20166286AAAAAC3914

# BALANCE SHEET

As at March 31, 2020

₹ in Lakhs

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	74,094.10	73,140.70
(b) Capital Work-in-Progress		79,030.72	68,595.73
(c) Financial Assets			
(i) Others	5	67.53	67.53
(d) Deferred Tax Assets (Net)	6 (d)	1,520.26	1,123.14
(e) Other Non-Current Assets	7	3,866.67	26.18
<b>Total Non-Current Assets</b>		<b>1,58,579.27</b>	<b>1,42,953.28</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	8	2,588.43	3,141.19
(b) Financial Assets			
(i) Trade Receivables	9	12,508.84	10,155.42
(ii) Cash and Cash Equivalents	10	102.34	79.93
(iii) Bank Balances other than (ii) above	11	138.56	222.32
(iv) Loans	12	10.92	10.86
(c) Other Current Assets	13	3,387.42	4,787.72
<b>Total Current Assets</b>		<b>18,736.42</b>	<b>18,397.44</b>
<b>TOTAL ASSETS</b>		<b>1,77,315.70</b>	<b>1,61,350.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	14	2,657.05	2,460.00
(b) Other Equity	15	94,509.24	80,133.46
(c) Share Application Money		-	10,305.92
<b>Total Equity</b>		<b>97,166.29</b>	<b>92,899.39</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	69,154.62	61,681.85
(ii) Other financial liabilities	17 (a)	1,212.81	238.54
(b) Provision	18 (a)	29.89	26.18
<b>Total Non-Current Liabilities</b>		<b>70,397.02</b>	<b>61,946.57</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,711.58	3,000.60
(ii) Trade Payables	20	557.22	855.25
(iii) Other Financial Liabilities	17 (b)	196.77	2,280.20
(b) Other Current Liabilities	21	311.59	217.76
(c) Provisions	18 (b)	974.93	150.96
<b>Total Current Liabilities</b>		<b>9,752.09</b>	<b>6,504.77</b>
<b>Total Liabilities</b>		<b>80,149.11</b>	<b>68,451.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,77,315.70</b>	<b>1,61,350.72</b>
Significant Accounting Policies & Notes to Accounts		1-3 & 30	
The accompanying notes form an integral part of the Financial Statements			

As per our report attached

For and on behalf of Board of Directors

For **ANIL CHAUHAN & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 0140786W

**Ashok G Rajani**  
Chairman & Managing Director  
DIN: 01839535

**Ronen Joshi**  
Director  
DIN: 08167071

**Anil Chauhan**  
Proprietor  
Membership No. 166286  
Mumbai, July 31, 2020

**Amrit Rajani**  
Chief Financial Officer

**Manisha Solanki**  
Company Secretary

# STATEMENT OF PROFIT & LOSS

For the period ended March 31, 2020

₹ in Lakhs

	Note	For the Year March 31, 2020	For the Year March 31, 2019
<b>INCOME</b>			
(a) Revenue from operations	22	25,819.52	41,277.75
(b) Other Income	23	877.94	215.88
<b>Total Revenue (I)</b>		<b>26,697.46</b>	<b>41,493.62</b>
<b>EXPENDITURE</b>			
(a) Cost of Material Consumed (Including Purchases of Stock-in-Trade)	24	14,402.12	20,587.11
(b) Change in Inventories of Finished Goods, Stock in Process & Stock in Trade	25	451.88	178.69
(c) Employee Benefit Expenses	26	630.57	640.47
(d) Finance Cost	27	791.98	1,817.99
(e) Depreciation and Amortisation Expenses	28	1,661.74	1,599.41
(f) Other Expenses	29	3,562.49	6,045.49
<b>Total Expenses (II)</b>		<b>21,500.78</b>	<b>30,869.16</b>
<b>Profit/(loss) before exceptional items and tax (III = I - II)</b>		<b>5,196.68</b>	<b>10,624.46</b>
Exceptional Items (IV)		-	-
<b>Profit/(loss) before tax (V = III - IV)</b>		<b>5,196.68</b>	<b>10,624.46</b>
Tax Expenses (VI)			
Current Tax	6 (c)	415.01	1,796.66
Deferred Tax (Net)	6 (a)	79.69	(20.96)
<b>PROFIT AFTER TAX (VII = V - VI)</b>		<b>4,701.98</b>	<b>8,848.76</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurements of the Defined Benefit Obligations		(2.67)	(0.26)
(ii) Tax effect of remeasurement of defined benefit liabilities / assets		0.45	0.06
<b>Total other comprehensive income (VIII)</b>		<b>(2.21)</b>	<b>0.21</b>
<b>Total Comprehensive Income for the period (VII + VIII)</b>		<b>4,699.76</b>	<b>8,848.55</b>
<b>Earnings per Equity Share of face value of ₹ 10 each</b>			
Basic (₹)		19.10	35.97
Diluted (₹)		17.69	35.97
Significant Accounting Policies & Notes to Account	1-3 & 30		
The accompanying notes form and integral part of the Financial Statements			

As per our report attached

For and on behalf of Board of Directors

For **ANIL CHAUHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 0140786W

**Ashok G Rajani**  
Chairman & Managing Director  
DIN: 01839535

**Ronen Joshi**  
Director  
DIN: 08167071

**Anil Chauhan**  
Proprietor  
Membership No. 166286  
Mumbai, July 31, 2020  
Mumbai, July 31, 2020

**Amrit Rajani**  
Chief Financial Officer

**Manisha Solanki**  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL (Refer Note no. 14)

₹ in Lakhs

	No. of Shares	Amount
Balance as at March 31, 2019	24,600,000	2,460.00
Add: Compulsory Convertible Preference Shares issued during the year	1,970,540	197.05
Balance as at March 31, 2020	26,570,540	2,657.05

## B. OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus					Total
	Securities Premium	General Reserve	Retained Earnings	Other Reserves	Capital Redemption Reserve	
Balance as at April 1, 2018	23,034.72	2,013.53	15,104.47	31,421.00	-	71,573.72
Profit for the Year	-	-	8,848.76	-	-	8,848.76
Other comprehensive income for the Year (net of tax)	-	-	(0.21)	-	-	(0.21)
Equity Dividend including tax on dividend	-	-	(288.80)	-	-	(288.80)
<b>Total Comprehensive Income for the Year ended March 31, 2019</b>	<b>23,034.72</b>	<b>2,013.53</b>	<b>23,664.21</b>	<b>31,421.00</b>	<b>-</b>	<b>80,133.46</b>
Transfer from Other Reserves	-	-	-	-	15,126.17	15,126.17
Premium on issue of Compulsory Convertible Preference Shares (CCPS)	10,108.87	-	-	-	-	10,108.87
Profit for the Year	-	-	4,701.97	-	-	4,701.97
Other comprehensive income for the current reporting year	-	-	(2.21)	-	-	(2.21)
Equity Dividend including tax on dividend	-	-	(432.85)	-	-	(432.85)
Transfer to Capital Redemption Reserves	-	-	-	(15,126.17)	-	(15,126.17)
<b>Balance at the end of year March 31, 2020</b>	<b>33,143.59</b>	<b>2,013.53</b>	<b>27,933.33</b>	<b>16,294.83</b>	<b>15,126.17</b>	<b>94,509.24</b>

As per our report attached

For and on behalf of Board of Directors

For **ANIL CHAUHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 0140786W

**Ashok G Rajani**  
Chairman & Managing Director  
DIN: 01839535

**Ronen Joshi**  
Director  
DIN: 08167071

**Anil Chauhan**  
Proprietor  
Membership No. 166286  
Mumbai, July 31, 2020  
Mumbai, July 31, 2020

**Amrit Rajani**  
Chief Financial Officer

**Manisha Solanki**  
Company Secretary

# CASH FLOW STATEMENT

For the period ended March 31, 2020

₹ in Lakhs

		2019-20	2018-19
<b>A:</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Profit Before Tax as per Statement of Profit and Loss</b>	<b>5,196.67</b>	<b>10,624.46</b>
	<b>Non-cash adjustment to reconcile Profit Before Tax to Net Cash Flows</b>		
	Depreciation and Amortisation	1,661.74	1,599.41
	Finance Cost	791.98	1,817.99
	Interest Income	(12.02)	(14.00)
	Other Non-Operating Income	(865.92)	(201.88)
		<b>1,575.78</b>	<b>3,201.51</b>
	<b>Operating Profit before Working Capital changes</b>	<b>6,772.45</b>	<b>13,825.98</b>
	<b>Adjustment for (increase)/decrease in Operating Assets</b>		
	Inventories	552.76	178.70
	Trade Receivables	(2,353.42)	197.45
	Loans	(0.05)	(1.70)
	Other Current Financial Assets	-	-
	Other Current Assets	1,400.39	(1,254.45)
	<b>Adjustment for increase/(decrease) in Operating Liabilities</b>		
	Trade Payables	(298.04)	(157.43)
	Other Current Financials Liabilities	(2,083.43)	17.56
	Other Current Liabilities	93.83	(56.25)
	Working Capital	(3,841.46)	-
	Provisions	821.76	(1,000.05)
		<b>(5,707.67)</b>	<b>(2,076.17)</b>
	<b>Cash Generated from Operations</b>	<b>1,064.79</b>	<b>11,749.80</b>
	Taxes Expenses	<b>(891.82)</b>	<b>(2,289.40)</b>
	<b>Net Cash from Operating Activities (A)</b>	<b>172.96</b>	<b>9,460.40</b>
<b>B:</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Capital Expenditure on Property, Plant & Equipment, including Capital Advances & Payable for Capital Expenditure	(2,615.14)	(518.51)
	Increase in Capital Work in Progress	(10,434.98)	(28,352.71)
	Other Non-Current Financial Liability	974.26	(55.17)
	Other Non-Current Financial Assets	-	(5.11)
	Other Non-Current Assets	0.97	(4.63)
	Other Non-Current Provisions	3.72	4.63
	Other Non-Operating Income	865.92	201.88
	Interest Received	12.02	14.00
	Other Bank Balances	83.86	(12.60)
		<b>(11,109.48)</b>	<b>(28,728.22)</b>
	<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(11,109.48)</b>	<b>(28,728.22)</b>
<b>C:</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Proceeds from Long-term Borrowings (Net-off repayment)	7,472.76	16,172.43
	Proceeds from Short-term Borrowings (Net-off repayment)	4,710.99	(4,036.94)
	Finance Cost	(791.98)	(2,507.38)
	Dividend Paid on Preference Shares	-	(1,679.01)
	Dividend Paid on Equity Shares	(432.85)	(288.80)
	Proceeds from Share Application Money	-	10,305.92
		<b>10,958.92</b>	<b>17,966.22</b>
	<b>Net Cash Flow From / (used in) Financing Activities (C)</b>	<b>22.41</b>	<b>(1,301.60)</b>
	<b>Net Increase / (Decrease) In Cash and Cash Equivalent (A + B + C)</b>	<b>79.93</b>	<b>1,381.53</b>
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>102.34</b>	<b>79.93</b>
	<b>Cash and Cash Equivalents at the End of the Year (Refer Note No. 10)</b>	<b>102.34</b>	<b>79.93</b>
	<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
	Balance with Bank:		
	In Current Accounts	101.98	71.77
	Cash on Hand	0.36	8.16
	<b>Cash and Cash Equivalents at the End of the Year (Refer Note No. 10)</b>	<b>102.34</b>	<b>79.93</b>

As per our report attached

For and on behalf of Board of Directors

For **ANIL CHAUHAN & ASSOCIATES**  
**Chartered Accountants**  
 Firm Registration No.: 0140786W

**Ashek G Rajani**  
 Chairman & Managing Director  
 DIN: 01839535

**Ronen Joshi**  
 Director  
 DIN: 08167071

**Anil Chauhan**  
 Proprietor  
 Membership No. 166286  
 Mumbai, July 31, 2020

**Amrit Rajani**  
 Chief Financial Officer

**Manisha Solanki**  
 Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

## 1. CORPORATE INFORMATION

Seya Industries Ltd (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are traded on BSE Limited and National Stock Exchange of India Ltd. The Company is engaged in manufacturing of Speciality Chemicals intermediates.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### 2.2. Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets/liabilities that are measured at fair values at the end of each reporting period;
- Defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Whenever the Company changes the presentation or classification of items in its financial statements materially, the company reclassifies comparative amounts, unless impracticable. Non-Convertible Redeemable Preference Shares which under IGAAP was classified in Share Capital now as per Ind AS forms part of the Non-Current Liabilities under Long Term Borrowings from Related Parties.

### 2.3. Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Companies normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within twelve months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the companies normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within twelve months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other assets/ liabilities are classified as non-current.

#### Operating Cycle:

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current

### 2.4. Critical accounting estimates, assumptions and judgements:

The preparation of financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. Actual results may differ from the estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected.

### 2.5. Measurement of fair values:

The Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- ii. Level 2 -inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 - inputs that are unobservable for the asset or liability

## 2.6. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes sales and other income directly identifiable with the segment including intersegment revenue.
- b) Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- d) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Secondary segment have been identified with reference to geographical location of external customers. Composition of

### secondary segment is as follows:

- (i) India and
- (ii) Outside India

## 2.7. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company

## 2.8. Property, plant and equipment (PPEs)

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any except for land which is been carried as per revaluation of model. Under revaluation model, after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a

revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. Company estimates to revalue its land every 3 years. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received, or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

### De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

### Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### The estimated useful lives are as follows:

Asset	Useful life
Leasehold Land	99 years
Building	1 – 25 years
Plant and Machinery	3 – 20 years
Furniture & Fixtures	3 – 12 years
Vehicles	3 – 10 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 01, 2016 i.e. transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.9. Intangible Assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

### De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

### 2.10. Impairment of Non-Financial Assets

The carrying amounts of the Company's PPE and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis. In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### Initial Recognition and measurements

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### Subsequent measurements

For purposes of subsequent measurement, financial assets are classified in Three categories:

- i. Financial assets measured at amortised cost
- ii. Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- iii. Financial assets measured at Fair Value Through Profit or Loss (FVTPL)
- i. A financial asset that meets the following two conditions is measured at amortized cost.
  - Business Model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-
  - Business Model test: The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  - Cash flow characteristics test: The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- iii. All other financial assets are measured at fair value through profit and loss.

#### Classification as Debt and Equity

Debt and Equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

#### Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

#### Derecognition-

A financial asset is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Impairment of financial assets-**

In accordance with Ind AS 109, The company assesses impairment based on expected credit losses (ECL) model at an amount equal to: -

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**2.12. Financial Liabilities****Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at Fair Value Through Profit or Loss**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Derivative financial instruments****Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**Compound financial instruments**

The component parts of compound financial instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definition of financial liability and an equity instrument.

**2.13. Leases**

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

**Company as a lessee-**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

**Company as a lessor-**

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to

compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

#### 2.14. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and Fixed deposits. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### 2.15. Provisions, contingent liabilities and assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Assets are not recognised in the financial statements.

#### 2.16. Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

#### 2.17. Inventories

- Raw materials, Work in progress, manufactured goods and Stores & Spares are valued at lower of Cost (FIFO) or estimated net realisable value after providing for obsolescence and other losses, where considered necessary.
- By-products, self-generated scrap and non-reusable waste are valued at estimated net realisable value.
- Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges.

- Work in progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
- Estimated net realisable value is the estimated selling price in the ordinary course of business, reduced by estimated costs of completion and estimated costs necessary to make the sale.

### 2.18. Revenue Recognition

#### Sale of Goods

Revenue from sales are recognized, when risks and rewards of ownership of products are passed on to the customers, which is generally on dispatch/delivery of goods and there is no significant uncertainty regarding amount of consideration that will be derived. Revenue from sale of goods are recognized at the fair value of the consideration received or receivable, net of returns including estimated returns where applicable, and trade discounts, rebates, sales tax and value added tax/GST. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured, and it is reasonable to expect ultimate collection.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated.

#### Other Income

##### Interest Income

Interest income is recognized using effective interest rate method and on time proportion basis taking into account the amount outstanding and the interest rate applicable.

##### Dividend

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 2.19. Employee Benefits

#### Defined benefit plans

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial

gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### **Short-term and Other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and casual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

#### **Defined contribution plans**

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

### **2.20. Income Tax**

#### **Current Income Tax**

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal

tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### **2.21. Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

### **2.22. Foreign Currency**

#### **Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the income statement in the period in which they arise. When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

### **2.23. Research and development**

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the income statement when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in the income statement as incurred.

## **3. RECENT ACCOUNTING PRONOUNCEMENTS**

### **Standards issued but not yet effective**

#### **Amendments to Ind AS 12 – Income Taxes (Appendix C – Uncertainty over Income Tax Treatments):**

This interpretation, which will be effective from April 1, 2019, clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome, a tax authority might reach with full knowledge and information if it were to make an examination. The Company is in the process of evaluating the impact of this amendment on its financial statements

## 4. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures \$	Vehicles	Total
<b>Gross Block</b>						
Balance as at April 1, 2018	53,467.26	2,759.25	27,219.78	29.73	400.47	83,876.19
Additions	-	36.46	481.62	0.43	-	518.51
Disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>53,467.26</b>	<b>2,795.72</b>	<b>27,701.10</b>	<b>30.16</b>	<b>400.47</b>	<b>84,394.70</b>
Additions	-	4.20	2,610.94	-	-	2,615.14
Disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>53,467.26</b>	<b>2,799.91</b>	<b>30,312.04</b>	<b>30.16</b>	<b>400.47</b>	<b>87,009.84</b>
<b>Accumulated Depreciation</b>						
Balance as at April 1, 2018		683.74	8,899.08	20.20	51.57	9,654.59
Depreciation for the year	-	108.92	1,457.27	2.67	30.55	1,599.41
Disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>792.66</b>	<b>10,356.35</b>	<b>22.88</b>	<b>82.12</b>	<b>11,254.00</b>
Depreciation for the Year	-	106.50	1,522.91	2.67	29.71	1,661.74
Disposals	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>899.17</b>	<b>11,879.25</b>	<b>25.50</b>	<b>111.84</b>	<b>12,915.74</b>
<b>Net Block</b>						
Balance as at March 31, 2019	53,467.26	2,003.05	17,344.75	7.28	318.35	73,140.70
<b>Balance as at March 31, 2020</b>	<b>53,467.26</b>	<b>1,900.74</b>	<b>18,432.79</b>	<b>4.65</b>	<b>288.65</b>	<b>74,094.10</b>

\$ Includes Office Equipment

## CAPITAL WORK IN PROGRESS

₹ in Lakhs

	Total
Balance as at March 31, 2019	68,595.73
<b>Balance as at March 31, 2020</b>	<b>79,030.72</b>

## 5. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
Security Deposit	67.53	67.53
<b>TOTAL</b>	<b>67.53</b>	<b>62.43</b>

## 6. INCOME TAXES

## a. Income Tax (Expenses) / Benefits Recognised in Income Statement

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Current Income Tax on Profit for the year	415.01	1,796.66
Deferred Taxes (expenses) / benefits	79.69	(20.96)
<b>TOTAL</b>	<b>494.70</b>	<b>1,775.71</b>

## b. Income Tax (expenses) / benefits recognised in OCI

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax relating to items recognised in OCI during the year</b>		
Net (gain) / loss on remeasurement of defined benefits plan	(2.67)	(0.26)
Income Tax Charged to OCI	0.45	0.06

## c. Reconciliation of Tax rate of accounting profit multiplied by India's tax rate

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Accounting Profit Before Income Tax</b>	<b>5,196.67</b>	10,624.46
Enacted tax rate in India (%)	28.60	34.80
<b>Computed Tax Expenses</b>	<b>1,486.25</b>	3,697.31
Add: Tax effects of amounts which are not deductible in calculating taxable income	5.16	8.56
Less: Tax effects of amounts which are deductible in calculating taxable income	(1,070.33)	(1,909.21)
<b>Income Tax Expenses</b>	<b>415.01</b>	1,796.66

## d. Deferred Tax

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax (Liabilities)</b>		
On difference between Book Balance and Tax Balance of Depreciation	1,887.81	1,808.66
On Expenditure deferred in Books but allowable for Tax Purpose	699.75	699.75
Allowance under Section 43B	33.19	29.55
On difference between write-off of preliminary expenses in Books and as per Tax	12.80	12.80
Expenses earlier allowed under 43B, now written back	(29.45)	(29.45)
<b>Total of Deferred Tax Liabilities</b>	<b>2,604.11</b>	2,521.32
<b>Deferred Tax (Assets)</b>		
Provision for Compensated absences, gratuity and other employee benefits	7.99	7.99
Disallowances under 40A (7) of the Income Tax Act, 1961	5.63	4.84
Assets arising due to provisions of Income Tax Act, 1961	1,099.89	1,097.58
<b>Total of Deferred Tax Assets</b>	<b>1,113.51</b>	1,110.41
Adjustment as per Ind AS	46.01	46.01
MAT Credit entitlement	2,964.85	2,488.04
<b>Total of Deferred Tax Assets as per Ind AS</b>	<b>4,124.37</b>	3,644.45
<b>Net Deferred Tax (Assets) / Liabilities</b>	<b>(1,520.26)</b>	(1,123.14)

## e. Reconciliation of deferred Tax Assets / Liabilities (Net)

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,364.90	1,385.86
Tax Income / (expenses) for the year recognised in statement of Profit & Loss	79.69	(20.96)
MAT Credit Entitlement	2,964.85	2,488.04
	<b>1,520.26</b>	(1,123.14)

## Footnotes

During the year the Company decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 from the current financial year. Accordingly, the provision for income Tax and deferred Tax balance have been recorded/ remeasured using the new tax rate.

## 7. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits	25.21	26.18
Others	3,841.46	-
<b>TOTAL</b>	<b>3,866.67</b>	26.18

## 8. INVENTORIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Raw Materials (including Packing Material & Goods in Transit)	54.86	155.47
Work-in-Progress	2,452.03	2,771.73
Finished Goods	64.09	196.27
Stores and Spares	17.45	17.71
<b>TOTAL</b>	<b>2,588.43</b>	<b>3,141.19</b>

## 9. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Unsecured, Considered Good	12,508.84	10,155.42
<b>TOTAL</b>	<b>12,508.84</b>	<b>10,155.42</b>

## Footnotes

- i. The Credit Period on sale of goods varies from Customer to Customer and generally ranges between 0 to 400 days, accordingly receivable due beyond 360 days are grouped under Non-Current Assets. For Financial risk related to trade receivables Refer Note No. 30.16 (B)
- ii. The Company has used a Practical expedient for computing expected credit loss allowance for trade receivables, considering historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

## 10. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Cash on hand</b>	<b>0.36</b>	<b>8.16</b>
<b>Balances with Banks</b>		
In Current Accounts	101.98	71.77
<b>TOTAL</b>	<b>102.34</b>	<b>79.93</b>

## Footnotes

- i. Balance with Bank includes balances of Unclaimed dividend accounts.
- ii. The Company has not entered into any non-cash investing and financing activities.

## 11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Deposits with Banks with Maturity more than 3 Months but less than 12 months	138.56	222.32
<b>TOTAL</b>	<b>138.56</b>	<b>222.32</b>

## Footnotes

- i. Deposits are held as margin money against short term Borrowings

## 12. LOANS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Loans to Employees	10.92	10.86
<b>TOTAL</b>	<b>10.92</b>	<b>10.86</b>

**13. OTHER CURRENT ASSETS**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Balance with Government Authorities	3,337.41	3,412.89
Prepaid Expenses	47.07	110.38
Advance to suppliers	1.87	1,263.47
Other Assets	0.98	0.98
<b>TOTAL</b>	<b>3,387.33</b>	<b>4,787.72</b>

**14. EQUITY SHARE CAPITAL**

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Capital</b>				
Equity Shares of ₹ 10 each	26,570,700	2,657.07	26,570,700	2,657.07
Preference Shares of ₹ 10 each	153,232,300	15,323.23	153,232,300	15,323.23
<b>Total Authorised Capital</b>	<b>179,803,000</b>	<b>17,980.03</b>	<b>179,803,000</b>	<b>17,980.03</b>
<b>Issued, Subscribed and Paid up Capital</b>				
Equity Shares of ₹ 10 each	24,600,000	2,460.00	24,600,000	2,460.00
Compulsory Convertible Preference Shares of ₹ 10 each	1,970,540	197.05	-	-
<b>Total Issued, Subscribed and Paid up Capital</b>	<b>26,570,540</b>	<b>2,657.05</b>	<b>24,600,000</b>	<b>2,460.00</b>

**Footnote**

- The Company has Authorised Capital of Equity and Preference Shares, however the Company has no outstanding Non-Convertible Redeemable Preference Shares.
- Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of Capital.**  
Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.
- During the year under review the Company have issued 1,970,540 Compulsory Convertible Preference Shares (CCPS) of Rs.10/- each at a Premium of Rs.513/- per CCPS
- The details of shareholders holding more than 5% of equity share**

Name of the shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Ashok G Rajani	2,105,329	8.56	4,765,329	19.37
Mrs. Shalini A Rajani	2,762,430	11.23	2,762,430	11.23
Whiz Enterprise Pvt Ltd	6,501,918	26.43	6,501,918	26.43
Reliance Small Cap fund	1,960,656	7.97	1,998,059	8.12
S C India Credit Fund[SCICF](through its Trustee Beacon Trusteeship Ltd) <sup>i</sup>	1,959,215	7.96	-	-

**Footnote**

- During the year, SCICF became a shareholder vide invocation of shares pledged by Mr. Ashok G Rajani, which were offered as collateral in relation to Non-Convertible Debentures (NCD) issued by the Company to SCICF. The Company has contested this wrongful invocation and initiated appropriate legal proceedings. However, pending outcome such legal proceedings, the company has acknowledged SCICF as a shareholder in full settlement of its outstanding NCD in accordance with the Terms of the Debenture subscription agreement as entered with SCICF.

**15. OTHER EQUITY**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Reserves &amp; Surplus</b>		
Retained Earnings	27,931.12	23,664.21
General Reserve	2,013.53	2,013.53
Securities Premium Reserve	33,143.59	23,034.72
<b>Other Reserves</b>		
Capital Redemption Reserve	15,126.17	-
Others (Fair Value of Property - Ind AS-16)	16,294.83	31,421.00
<b>TOTAL</b>	<b>94,509.24</b>	<b>80,133.46</b>

## Movement in other equity

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Retained Earnings</b>		
Balance at the beginning of the year	23,664.21	15,104.47
Add: Profit attributable to owners of the Company (Profit for the year)	4,701.97	8,848.76
Items of other comprehensive Incomes recognised directly in retained earnings		
Remeasurement of post-employment benefits, obligations (Net of Tax)	(2.21)	(0.21)
Dividends	(432.85)	(288.80)
<b>Balance at the end of the year</b>	<b>27,931.12</b>	<b>23,664.21</b>
<b>General Reserve</b>		
Balance at the beginning of the year	2,013.53	2,013.53
Additions / (Deduction)	-	-
<b>Balance at the end of the year</b>	<b>2,013.53</b>	<b>2,013.53</b>
<b>Footnote:</b>		
The General reserve represents amount appropriated out of retained earning based on the provisions of the Companies Act prior to its amendment.		
<b>Securities Premium Reserves</b>		
Balance at the beginning of the year	23,034.72	23,034.72
Add: Proceeds received from issue of CCPS	10,108.87	-
<b>Balance at the end of the year</b>	<b>33,143.59</b>	<b>23,034.72</b>
<b>Footnote:</b>		
Securities premium is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013		
<b>Other Reserves</b>		
Balance at the beginning of the year	31,421.00	31,421.00
Additions / (Deduction) [Trf. to Capital Redemption Reserve]	(15,126.17)	-
<b>Balance at the end of the year</b>	<b>16,294.83</b>	<b>31,421.00</b>
<b>Capital Redemption Reserves</b>		
Balance at the beginning of the year	-	-
Additions / (Deduction) [Trf. from Other Reserves]	15,126.17	-
<b>Balance at the end of the year</b>	<b>15,126.17</b>	<b>-</b>

## 16. NON-CURRENT BORROWING

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Banks <sup>1</sup>	32,377.92	26,905.68
Others <sup>2</sup> (Others/FI/NCRPS)	29,266.16	27,168.69
Non-Convertible Debentures	-	7,200.00
Loans and Advance from Promoters, Related Parties <sup>3</sup>	7200.00	-
<b>Unsecured</b>		
Others	310.54	407.48
<b>TOTAL</b>	<b>69,154.62</b>	<b>61,681.85</b>

## Footnote

- 1) -Rupee Term Loan from banks comprises of Loan taken for expansion project and Car loans.
- Term loan for expansion of project is secured by way of first charge, having pari-passu rights, on factory – land and building (Save and except stock and book debts), situated at one of the Company's location.
- Car loan from bank is secured against hypothecation of Car.
- Rate of Interest are in the range of Base Rate plus 0.00% to 2.65% p.a. and repayable on quarterly basis with last instalments payable from April 2020 to March 2027[Refer Note 30.1]

- 2) -Rupee Term Loan from Other comprises of Loan taken for expansion of project and Long-term augmentation of working capital and is secured by way of first charge, having pari-passu rights, on factory – land and building (Save and except stock and book debts), situated at separate locations of the Company.

-Rate of Interest for FIs are in the range of Base Rate plus 0.00% to 2.65% p.a. and repayable on quarterly basis with instalments payable from April 2020 to March 2027 [Refer Note 30.1]

-Borrowings from Others are repayable as per agreed terms in single tranche along-with accrued Interest at the end of 10 years ie. Mar-2030. In accordance with contractual terms, interest shall commence from FY20-21.

- 3) Liability on account of claim of a Guarantor arising out of right of subrogation due to wrongful invocation of pledge shares of the Promoters.

## 17. OTHER FINANCIAL LIABILITIES

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>(a) Non-Current</b>		
Other Payables for Goods & Services	1,212.81	238.54
<b>Total Other Non-Current Financial Liabilities (a)</b>	<b>1,212.81</b>	<b>238.54</b>
<b>(b) Current</b>		
Current maturities of Long-Term Debt [Refer Note 30.1]	-	2,219.91
Unclaimed Dividend on Equity Shares	84.04	60.29
Other (Interest due but not paid) [refer footnote of 30.1]	112.73	-
<b>Total Other Current financial liabilities (b)</b>	<b>196.77</b>	<b>2,280.20</b>
<b>TOTAL (a+b)</b>	<b>1,409.57</b>	<b>2,518.74</b>

## 18. PROVISIONS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>(a) Non-Current</b>		
Provisions for Employees benefit obligations	29.89	26.18
<b>Total Non-Current Provisions (a)</b>	<b>29.89</b>	<b>26.18</b>
<b>(b) Current</b>		
Provisions for Employees benefit obligations	60.93	94.12
Provisions for Income Tax	891.37	1.13
Other Provisions	22.63	55.70
<b>Total Current Provisions (b)</b>	<b>974.93</b>	<b>150.96</b>
<b>TOTAL (a+b)</b>	<b>1,004.82</b>	<b>177.14</b>

## 19. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
From Bank [Refer Note 30.1]	7,711.58	3,000.60
<b>TOTAL</b>	<b>7,711.58</b>	<b>3,000.60</b>

### Footnote

- Working capital loan from bank is secured against hypothecation of Stock of Raw Materials, Stock in Process, Semi-Finished and Finished goods, Stores and Spares (not relating to plant and machinery), book debts of Company's present manufacturing locations
- Rate of interest of Working Capital Loan is in range of Base Rate / MCLR plus 0.00% to 2.60% p.a. These Borrowings are repayable on Demand.

**20. TRADE PAYABLES**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Dues of Micro, Small and Medium Enterprises	-	-
Dues of other creditors other than Micro, Small & Medium Enterprises	557.22	855.25
<b>TOTAL</b>	<b>557.22</b>	<b>855.25</b>

**Footnote**

i. The average credit period on goods purchased, ranges between 30 days to 180 days

**21. OTHER CURRENT LIABILITIES**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Statutory Remittances	128.94	141.00
Other trade payables for Goods and Services	138.13	76.76
Employee Benefit	44.52	-
<b>TOTAL</b>	<b>311.59</b>	<b>217.76</b>

**22. REVENUE FROM OPERATIONS**

₹ in Lakhs

	2019-20	2018-19
Sale of Products	25,819.52	41,277.75
<b>TOTAL</b>	<b>25,819.52</b>	<b>41,277.75</b>

**23. OTHER INCOME**

₹ in Lakhs

	2019-20	2018-19
<b>Interest Income On</b>		
Deposits with Banks	12.02	14.00
<b>Other Non-Operative income</b>	-	71.62
Gain due to Foreign Exchange fluctuation	5.22	-
Other Miscellaneous Income	860.70	130.25
<b>TOTAL</b>	<b>877.94</b>	<b>215.88</b>

**24. COST OF MATERIALS CONSUMED (Including Stock in Trade)**

₹ in Lakhs

	2019-20	2018-19
Raw materials at the beginning of the year	129.60	139.99
Add: Purchases (Including Stock in Trade)	14,317.52	20,576.72
Less: Raw materials at the end of the year	(45.00)	(129.60)
<b>TOTAL</b>	<b>14,402.12</b>	<b>20,587.11</b>

**25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS & STOCK IN TRADE**

₹ in Lakhs

	2019-20	2018-19
<b>A. Opening Balance</b>		
Work in Process	2,771.73	2,938.37
Finished Goods	196.27	208.32
	<b>2,968.00</b>	<b>3,146.69</b>
<b>B. Closing Balance</b>		
Work in Process	2,452.03	2,771.73
Finished Goods	64.09	196.27
	<b>2,516.12</b>	<b>2,968.00</b>
<b>NET (INCREASE) / DECREASE IN INVENTORIES (A – B)</b>	<b>451.88</b>	<b>178.69</b>

**26. EMPLOYEE BENEFIT EXPENSES**

₹ in Lakhs

	2019-20	2018-19
Salaries & Wages	585.27	609.25
Contributions to Provident and other Funds	37.66	26.53
Staff Welfare Expenses	7.65	4.69
<b>TOTAL</b>	<b>630.57</b>	<b>640.47</b>

**27. FINANCE COST**

₹ in Lakhs

	2019-20	2018-19
<b>Interest Expenses on</b>		
Borrowings [Refer Note 30.1]	714.63	1,707.10
Trade Payables	37.53	0.27
<b>Others</b>		
Bank Charges	13.34	82.68
Other Borrowing Cost	26.48	27.94
<b>TOTAL</b>	<b>791.98</b>	<b>1,817.99</b>

**28. DEPRECIATION AND AMORTISATION**

₹ in Lakhs

	2019-20	2018-19
Depreciation of Plant, Property & Equipment (Refer Note No. 4)	1,661.74	1,599.41
<b>TOTAL</b>	<b>1,661.74</b>	<b>1,599.41</b>

**29. OTHER EXPENSES**

₹ in Lakhs

	2019-20	2018-19
Consumption of Stores and Spares	0.27	1.81
Consumption of Packing Material	150.26	143.70
Power & Fuel charges	2,346.33	4,659.72
Rent	115.00	120.00
<b>Payment to Auditors</b>		
Statutory Audit Fees	4.00	4.00
Taxation Matters	1.00	1.50
Company Law Matters	0.88	0.97
Other services	0.60	0.60
	<b>6.48</b>	<b>7.07</b>
Insurance	29.55	20.05
Sales Promotions, Discounts & other Selling expenses	163.69	376.10
Repairs and Maintenance – Plant & Machinery	52.81	240.04
Miscellaneous Expenses	698.11	477.01
<b>TOTAL</b>	<b>3,562.49</b>	<b>6,045.49</b>

**30. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS****30.1. Contingent liabilities and Capital commitments (to the extent not provided)**

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>Contingent Liabilities</b>		
Financial Instruments		
Letter of Credit	-	262.54
Bank Guarantees		
- Financial	5.22	90.54
- Performance	25.00	25.00
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital Advances):		
- Property, Plant & Equipment	1,500.00	3,000.00
<b>TOTAL</b>	<b>1,530.22</b>	<b>3,378.08</b>

**Footnote:**

During the period under review, CARE Ratings Limited had wrongfully & illegally committed breach of mandatory terms of the Contract which had been terminated by the Company much prior to the period under review. Despite such termination, CARE released an un-authorised rating downgrade report with malafide intent. The Company has filed a suit & complaint to SEBI against such unauthorised downgrade by CARE. During the period certain Lenders have initiated formal legal communication, with a view to protect their interest. The Company has contested and continues to defend such action by the Lenders. Meanwhile the Company also continues to engage with lenders with a view to arrive at a resolution to ongoing matters. Due to ongoing dispute with the lenders in relation to their failure to comply with committed lending obligations and outstanding, the Company has, on basis of legal advice, not provided for interest costs on certain loans outstanding, amounting to INR 807.98 Lacs in respect of Operating Assets and INR 2884.00 Lacs in respect of Project Assets. The Company continues to believe in the merits of the litigation, however there continues to remain material uncertainties in relation to the outcome of the said litigations.

**30.2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding as at the Balance Sheet date. The information has been identified to the extent such parties have been identified on the basis of information available with the Company.

**30.3. Financial Instruments**

The Company has negligible exposure in Foreign Currency during the year and hence has not availed any financial instrument, viz. Derivatives and Forward Contract Instruments for hedging its risks and exposure to foreign currency fluctuations.

**30.4. Value of imports calculated on CIF basis: ₹ NIL (Previous Year: NIL)****30.5. Expenditure in Foreign Currency**

₹ in Lakhs

	2019-20	2018-19
Subscription Charges	-	12.43
Payment to supplier for Import of Plant and Machinery	-	681.84
<b>TOTAL</b>	<b>-</b>	<b>694.27</b>

**30.6. Amounts remitted in foreign currency during the year on account of dividend: NIL (Previous year: NIL)****30.7. Earnings in Foreign Exchange: ₹ 136.46 Lakhs (Previous Year: ₹ 40.63 Lakhs)****30.8. Details of Consumption of Imported and Indigenous items**

	2019-20		2018-19	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Indigenous</b>				
Raw Material	14,317.52	100	20,576.72	100
Spare Parts	0.27	100	1.81	100
	14,317.79	100	20,578.53	100
<b>Imported</b>				
Raw Material	-	-	-	-
Spare Parts	-	-	-	-
<b>TOTAL</b>	<b>14,317.79</b>	<b>100</b>	<b>20,578.53</b>	<b>100</b>

**30.9. Disclosure under IND AS-19: Employee Benefits Obligations****30.9.1. Defined Benefit Plan**

During the Period under review Company has made contribution towards Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India.

Both are funded defined benefit plans for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of Five years of services.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

**30.9.2.** The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

**30.9.3.** The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, Increments and other relevant factors.

**30.9.4.** The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of assets management and historical result of the return on plan asset.

**30.9.5.** In absence of specific details of plan assets from LIC, the details of plan assets have not been furnished. The details of experience adjustment relating to Plan assets are not readily available in valuation report and hence are not furnished.

**30.9.6.** The following table set out the funded status and amounts recognised in Company's financial statements as at March 31, 2020 for Defined Benefit Plan. (Disclosure as per IND AS-19)

**Reconciliation of Opening and Closing Balances of Defined Benefits Obligation**

₹ in Lakhs

	2019-20	2018-19
Balance at the beginning of the year	26.18	21.54
Current Service Cost	4.77	4.03
Interest Cost	1.97	1.62
Actuarial (gain) / losses	0.42	(0.30)
Benefits Paid	-	(0.72)
<b>Balance at the end of the year</b>	<b>33.33</b>	<b>26.18</b>

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets**

₹ in Lakhs

	2019-20	2018-19
Balance at the beginning of the year	26.89	22.15
Expected Return on Plan Assets	-	1.27
Contribution by the Company	-	4.19
Benefits Paid	-	(0.72)
<b>Balance at the end of the year</b>	<b>26.89</b>	<b>26.89</b>

**Assets and Liabilities Recognised in the Balance Sheet**

₹ in Lakhs

	2019-20	2018-19
Present Value of Defined Benefit obligations	33.33	26.18
Fair value of Plan Assets	29.89	26.89
<b>Amounts Recognised as Assets / (Liability)</b>	<b>3.44</b>	<b>(0.72)</b>

**Expenses Recognised in the Statement of Profit and Loss**

₹ in Lakhs

	2019-20	2018-19
Current Service Cost	4.77	4.03
Net interest Cost	(0.28)	(0.21)
<b>Expense Recognised</b>	<b>4.49</b>	<b>3.82</b>

**Expenses Recognised in Other Comprehensive Income (OCI)**

₹ in Lakhs

	2019-20	2018-19
Actuarial (Gain) / Loss recognised for the period	0.42	(0.30)
Return on Plan Assets excluding interest income	2.25	0.57
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>2.67</b>	<b>0.26</b>

**Major Category of Plan Assets**

	2019-20		2018-19	
	₹ in Lakhs	%	₹ in Lakhs	%
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund	-	-	-	-
Debt Security – Government Bond	-	-	-	-
Equity Securities – Corporate Debt Securities	-	-	-	-
Other Insurance Contracts (LIC of India)	29.89	100	26.89	100

**Actuarial Assumption**

	2019-20	2018-19
Discount Rate	6.80	7.52
Rate of Increase in Compensation	5%	4%
Expected Average remaining Services	15.75	16.69
Retirement Age	58 Years	58 Years
Employee Attrition Rate	1% of all Ages	1% for all Ages

**Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ in Lakhs

	2019-20	2018-19
Discount Rate - Increase of 1%	29.71	23.86
Discount Rate - Decrease of 1%	37.77	28.92
Salary Growth Rate - Increase of 1%	37.77	28.99
Salary Growth Rate - Decrease of 1%	29.65	23.77

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

**30.9.7. Leave Encashment**

- (a) The Leave benefit Scheme is a defined Benefit Plan and is unfunded. Hence, there are no Plan Assets attributable to the Obligation
- (b) Principal Actuarial Assumption

	2019-20	2018-19
Discount Rate	6.80	7.52

**30.9.8. Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

	₹ in Lakhs	
	2019-20	2018-19
Contribution to Provident Fund and Other Funds	37.66	26.53

Expected Contribution for the Next Year	₹ in Lakhs
Contribution to Provident Fund and Other Funds	20.00

**30.10. Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company. For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Total Equity (A)</b>	<b>97,166.30</b>	82,593.46
(i) Non-Current Borrowings (including Current Maturities)	69,154.62	63,901.76
(ii) Current Borrowings	7,711.58	3,000.60
<b>Total Borrowings (B) (i + ii)</b>	<b>76,866.20</b>	66,902.36
Less: Cash and Cash Equivalent	102.34	79.93
Less: Other Bank Balance	138.56	222.32
<b>Net Borrowings (C)</b>	<b>76,625.29</b>	66,600.10
<b>Total Capital (D=A + B)</b>	<b>1,74,032.49</b>	149,495.80
<b>Net Borrowing as a % of Total Equity (C / A)</b>	<b>78.86%</b>	80.64%
<b>Net Borrowing as a % of Total Capital (C / D)</b>	<b>44.03%</b>	44.55%

The Interest Coverage Ratio for the reporting period was as follows

	₹ in Lakhs	
	2019-20	2018-19
Earnings before Interest Depreciation and Tax (EBIDTA)	7,650.39	14,041.86
Interest	791.98	1,817.99
Interest Coverage Ratio (x)	9.66	7.72

**30.11. Disclosure Under IND AS 108 – “Operating Segment”**

- (a) The Company is mainly engaged in manufacturing of Speciality Chemical Intermediates. These in the context of Ind AS 108 “Operating Segment” is considered to constitute one single primary segment.
- (b) The Company is Domiciled in India and during the reporting period, the following table shows the distribution of the Company's Revenue:

	₹ in Lakh	
Revenue	2019-20	2018-19
In India	25,683.06	41,237.12
Outside India	136.46	40.63
<b>Total</b>	<b>25,819.52</b>	41,277.75

**30.12. Disclosures under IND AS-24: Related Party Disclosures****30.12.1. Details of Related Parties:**

Description of Relationship	Name of the Parties
Key Management Personnel (KMP)	Mr. Ashok G Rajani – Chairman & Managing Director
Relatives of Key Managerial Personnel	Mr. A. K. Bhowmik – Director Ms. Manisha Solanki – Company Secretary
Entities in which either of KMP or their Relatives can exercise significant influence	Mr. Amrit Rajani – Son of Mr. Ashok Rajani

**30.12.2. Related Party Transactions during the year ended March 31, 2020 and Balances Outstanding as on that day**

₹ in Lakhs

Nature of Transaction	KMP		Entities in which KMP/ Relatives of KMP have significant influence	
	2019-20	2018-19	2019-20	2018-19
Remuneration to Directors & KMP	134.77	138.31	-	-
Leasing arrangements	-	-	28.32	28.32
Secured Loans [Refer Note No. 16(3)]	7200.00	-	-	-
<b>Balances outstanding at the end of the year:</b>	<b>7200.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Key Managerial Personnel Compensation**

₹ in Lakhs

	2019-20	2018-19
Short Term Employee Benefits	134.77	138.31
Long-Term Employee Benefits	-	-

**Terms and Conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**30.13. Disclosure under IND AS-33: Earnings Per Share**

	2019-20	2018-19
Nominal Value of Equity Shares (₹)	10/-	10/-
Net Profit available for equity shareholders (₹ in Lakhs)	4,701.98	8,848.76
Weighted average Number of shares Outstanding for basic EPS	24,600,000	24,600,000
Weighted average Number of shares Outstanding for diluted EPS	26,570,540	24,600,000
Basic Earnings Per Share (₹)	19.10	35.97
Diluted Earnings Per Share (₹)	17.69	35.97

**30.14. Research and Development Expenses**

₹ in Lakhs

	2019-20	2018-19
Capital Expenditure	-	56.16
Revenue Expenditure	117.13	359.14
Total R&D Expenditure	117.13	415.30
(% of Net Sales)	0.45%	1.01%

**30.15. Financial Instruments****(A) The carrying value of Financial Instruments by Categories as at March 31, is as follows**

₹ in Lakhs

	Amortised Cost	
	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets</b>		
Trade Receivables	12,508.84	10,155.42
Loans	10.92	10.86
Cash & Cash Equivalents	102.34	79.93
Bank Balance other than Cash & Cash Equivalents	138.56	222.32
Other Financial Assets	67.53	67.53
<b>Total Financial Assets</b>	<b>12,860.07</b>	<b>10,536.06</b>
<b>Financial Liabilities</b>		
Borrowings	76,866.20	66,902.36
Trade Payables	557.22	855.25
Other Financial Liabilities	1,409.57	298.83
<b>Total Financial Liabilities</b>	<b>78,832.99</b>	<b>68,056.44</b>

**Footnote**

- The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

**(B) Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. An explanation of each level are follows

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**There are no Financial Assets which are required to be carried at Fair value using Fair value hierarchy**

**30.16. Financial Risk Management Objectives**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

**(A) Market Risk**

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, and other price risks. Financial instruments affected by market risks, primarily include loans, borrowings and Trade receivables.

**(i) Interest Rate Risk**

The Company borrows funds in Indian Rupees, to meet both the long term and short-term funding requirements. Interest on term borrowings is subject to Base rate / MCLR and is fixed for at least one year. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 25 BPS higher / lower and all other variables held constant, the company's profit for the year ended March 31, 2020 would have been decreased/increased by ₹ 14.16 Lakhs.

**(ii) Price Risk**

100% of Company's revenues are generated from Local Markets and the raw materials are procured through local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

**(B) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

COVID 19 impact resulted in lockdown from March 22, 2020 and continued post balance sheet date. The said pandemic is having an unprecedented impact on people and the economy. At our Company, we have moved fast to support our multiple stakeholders and sustain our operations through this crisis and prepare for revival in a new normal. We have structured our priorities in four areas: supporting our people, protecting customer and vendor relationships, maintaining our financial strength & contributing to society. Due to the lockdown, operations in most of our locations including manufacturing plants, warehouses, offices etc had to be scaled down or shut down and are being operated as per the local guidelines of social distancing and high hygiene standards, wherever permitted. The complete resumption of operations will depend upon directives issued by the respective Government authorities. The Impact of COVID-19 is considered as a non-adjusting event.

While the current situation has adversely affected the economy at large, the chemical industry has also been affected in segments. We continue to closely monitor the situation and have been taking appropriate actions for both sustenance and revival. As part of its review of the year-end balance sheet, the Company has made an assessment of recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Inventory and Financial assets and has concluded that no further adjustments are required to be made to the carrying values of such assets as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Though the Customer credit risk is managed by the Company's established policy, procedures and control relating to the customer credit risk management, the impact of COVID 19 on its trade receivables needs to be closely monitored on case to case basis and allowance if any should be appropriately considered. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its customers are periodically monitored and taken upon case to case basis.

The historical experience of collecting receivables of the Company is supported by low level of past default, however the impact of the pandemic needs to be evaluated by the management and hence the credit risk as at balance sheet date is perceived to be low, however expected to deteriorate going forward.

### (C) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus and financing facilities by continuously monitoring forecasts and actual cash flows. The Company has obtained fund and non-fund based working capital lines from various Banks/FI/Others. The Company invests its surplus funds in bank fixed deposit which carry low risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2020

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing	7,711.58	68,844.08	76,555.66
Trade Payables	557.22	-	557.22
Other Financial Liabilities	196.77	1,212.81	1,409.57
<b>TOTAL</b>	<b>8,465.57</b>	<b>70,056.89</b>	<b>78,522.46</b>

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing	3,000.60	48,775.59	51,776.19
Trade Payables	855.25	-	855.25
Other Financial Liabilities	60.29	238.54	298.83
<b>TOTAL</b>	<b>3,916.14</b>	<b>49,014.13</b>	<b>52,930.27</b>

### 30.17. Investor Education and Protection Fund

There is no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

### 30.18. Corporate Social Responsibility

During FY 2019-20, the Company has spent ₹ 46 Lakhs on Corporate Social Responsibility activities, against the requirement of ₹ 151.15 Lakhs, being 2% of average of the net profits for the preceding three years, however on account of COVID-19 in the month of March-20, the Company will fulfil its shortfall in obligation during FY 20-21.

**30.19.** In the opinion of the Board of Directors, except as otherwise stated, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the foregoing Balance Sheet and adequate provision for all known liabilities on the Company has been made.

**30.20.** The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the Other Explanatory Notes for the year ended March 31, 2020 forms an integral part of the financial statements of the Company.

**30.21.** The Operations of the Company have been severely impacted due to the Covid -19 pandemic. The Government of India declared a nationwide lockdown w.e.f. 24 March, 2020 and hence the manufacturing operations of the Company were halted during the quarter. Upon obtaining necessary permissions from the concerned authorities and after taking all safety measures as prescribed in the said permissions, though the Company have resumed operations in a phased-wise manner, several International and State governments continue to restrict distribution operations which impact the Company's operations. As a result, the revenues were materially impacted during this period. The Company however continued to incur committed expenditure with respect to its Employees, Plant related expenditures and Other expenditures. This has significantly impacted the profitability. Covid-19 has also had a significant impact on its customers and their ability to meet their committed obligations. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable. The Management has considered the possible effects if any that may result from COVID-19 pandemic on the carrying amounts of Trade receivables and Inventories. In developing the assumptions and estimates relating to the uncertainties as at the balance Sheet date in relation to the recoverable amounts of these assets, the management has used internal and external sources of information to the extent determined by it. The Impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Management will continue to closely monitor the developments.

We have taken several actions to mitigate the effect of Covid-19 on our business. We have taken steps to reduce our unit costs and increase our liquidity by making our operations more efficient and nimbler, putting on hold discretionary expenses, deferring certain capital expenditures, etc. In order to sustain operations, we also had to take actions to cut employee costs through pay cuts, leave without pay and reduction in workforce. We are ramping up our operations in a phased manner, subject to Government directions. The unprecedented nature of the pandemic makes the future business environment uncertain, however, we will continue to carry out the impact assessment on our assets and closely monitor any material changes to future economic conditions.

### 30.22. Previous Year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and to conform to Ind AS presentation requirements.

As per our report attached

For **ANIL CHAUHAN & ASSOCIATES**  
**Chartered Accountants**  
 Firm Registration No.: 0140786W

**Anil Chauhan**  
*Proprietor*  
 Membership No. 166286  
 Mumbai, July 31, 2020

For and on behalf of Board of Directors

**Ashok G Rajani**  
*Chairman & Managing Director*  
 DIN: 01839535

**Amrit Rajani**  
*Chief Financial Officer*

**Ronen Joshi**  
*Director*  
 DIN: 08167071

**Manisha Solanki**  
*Company Secretary*

# NOTICE

**NOTICE** IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF SEYA INDUSTRIES LTD ("THE COMPANY") WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT T -14, MIDC, TARAPUR INDUSTRIAL AREA, BOISAR, DIST. PALGHAR - 401506 MAHARASHTRA, ON SATURDAY, DECEMBER 26, 2020, AT 11:00 A.M. TO TRANSACT FOLLOWING BUSINESS:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Asit Kumar Bhowmik (DIN: 03522132), who retires by rotation and being eligible, seeks re-appointment.

## SPECIAL BUSINESS:

3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, or variation thereof, M/s. S.S. Patwardhan & Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 1191555W), be and is hereby appointed as Statutory Auditors of the Company, in place of M/s. Anil Chauhan & Associates, Chartered Accountants, to hold office from the conclusion of this 30<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting (AGM), Subject to ratification by members every year, as applicable, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorised to do all such act, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the best interest of the Company."

4. Appointment of Mr. Ronen Joshi (DIN: 08167071) as an Independent Director of the Company. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** Mr. Ronen Joshi (DIN: 08167071) who was appointed as an Additional Director of the Company with effect from February 06, 2020 by the Board of Directors and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') read with provisions of Articles of Associations of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof ], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Ronen Joshi, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is

eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from February 06, 2020 to February 05, 2025 (both days inclusive), be and is hereby approved.

**RESOLVED FURTHER THAT** any of the Directors & Key Managerial Personnel of the Company be and hereby severally authorised to do all such acts, deeds, matters, and things, as may be considered necessary to give effect of the aforesaid resolution"

5. Appointment of Mr. Amit Chandrakant Pandya (DIN: 08878579) as an Independent Director of the Company. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** Mr. Amit Chandrakant Pandya (DIN: 08878579) who was appointed as an Additional Director of the Company with effect from September 15, 2020 by the Board of Directors and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), read with provisions of Articles of Associations of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof ], the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Amit Chandrakant Pandya, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from September 15, 2020 to September 14, 2025 (both days inclusive), be and is hereby approved.

**RESOLVED FURTHER THAT** any of the Directors & Key Managerial Personnel of the Company be and hereby severally authorised to do all such acts, deeds, matters, and things, as may be considered necessary to give effect of the aforesaid resolution"

6. Appointment of Mr. Siva Prasad Rao Buddi (DIN: 08891339) as an Executive Director of the Company. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 196, 197, 198 and all other applicable provisions, if any, of Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule V of the Act, read with provisions of Articles of Associations of the Company, Mr. Siva Prasad Rao Buddi (DIN: 08891339) who was appointed by Board of Directors as an Additional Director in the category of Executive Director of

the Company with effect from September 24, 2020 and who holds office upto the ensuing Annual General Meeting of the Company and in respect of whom the Company has received Notice in writing from a Member under Section 160(1) of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Executive Director, liable to retire by rotation upon terms and conditions as may be decided by Board of Directors with a liberty to the Board to alter and vary terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board and Mr. Siva Prasad Rao Buddi.

**RESOLVED FURTHER THAT** Remuneration payable to Mr. Rao, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Act or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** Mr. Rao be entrusted with such powers to perform such duties as may from time to time delegated / entrusted to him subject to the supervision and control of the Board.

**RESOLVED FURTHER THAT** any of the Directors & Key Managerial Personnel of the Company be and hereby severally authorised to do all such acts, deeds, matters, and things, as may be considered necessary to give effect of the aforesaid resolution"

7. Ratification of remuneration of Cost Auditor for F.Y.2020-21 and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of the Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of ₹ 75,000/- per annum plus applicable taxes payable to M/s. Manish Shukla & Associates, Cost Accountants (Firm Registration No.101891) who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending March 31, 2021

**RESOLVED FURTHER THAT** the Board of Directors (Which term includes a duly constituted committee of the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the interest of the Company."

#### NOTES:

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the Special business set out in the Notice and the relevant details of the Directors seeking appointment / re-appointment as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard – 2 of General Meetings issued by the Institute of Company Secretaries of India are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Person can act as proxy on behalf of members not exceeding a count of fifty and holding in the aggregate not more than ten per cent of total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights

may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. The instrument appointing the proxy should, however, be deposited at the Registered Office of the company not less than forty-eight (48) hours before the commencement of the meeting i.e. by 11:00 a.m. on December 24, 2020. A Proxy Form is annexed to this Annual Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.
5. Pursuant to state guidelines issued in wake of COVID-19 pandemic and the on-going recent increase in spread, though the Company has obtained necessary permission from Local Authorities for conducting AGM, required preliminary screening and testing will be carried out before entry point of the AGM venue for all outsiders. Entry will be permitted only Clearance of: Testing/Screening & Health Status on 'Aarogya Setu' App(which all members attending the AGM are required to have installed in their mobiles, with their valid identity).
6. Corporate members intending to send their authorised representatives to attend the Meeting are required to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. In case of joint holders attending the meeting. Only such joint holder who is higher in the order of names will be entitled to Vote.
8. As per the MCA Circular dtd May 05, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report for the Financial Year 2019-20 is being sent only through email to those Members whose email IDs are registered with the Company/ Depositories. Members may note that the notice of the AGM and Annual Report for the financial year 2019-20 will also be available on the company's website [www.seya.in](http://www.seya.in) the website of the stock exchange that is BSE limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
9. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with Company's Registrar & Share Transfer Agent i.e. Universal Capital Securities Private Limited in case the shares are held by them in physical from.
10. Process for Registration / updation of Email Id, Bank Account Details and other details:
  - a. Shareholding in Demat Form:
 

Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address/ name, e-mail address, contact numbers, etc. to their Depository Participant ("DP") only, and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.
  - b. Shareholding in Physical Form:
 

Members holding shares in physical form are requested to write the RTA at [info@uniseq.in](mailto:info@uniseq.in) providing all the details.

This may be treated as an advance opportunity in terms of proviso to Rule 18(3) (i) of the Companies (Management and Administration) Rules, 2014.

11. The register of members and share transfer books of the Company shall remain closed from Sunday, December 20, 2020 to Saturday, December 26, 2020, both days inclusive.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into one single folio.
13. Non-resident Indian Members are requested to inform The Registrar Transfer Agent (in case of shares held in physical form) or the Depository Participants (in case of shares held in dematerialized form) as the case may be about the:
  - a. Change in their residential status on return to India for permanent settlement
  - b. Particulars of their Bank accounts maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. In view of SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are being processed only in the dematerialized form with effect from April 1, 2019. Therefore, the Members are requested to take prompt action to dematerialize the Equity Shares of the Company. The Members may contact the Company or the Company's Registrar & Share Transfer Agent Universal Securities Private Limited for assistance in this regard.
15. Members holding shares in electronic mode are requested to submit their PAN and Bank Account Details to their Depository Participant(s), with whom they are maintaining their Demat account(s). Members holding shares in Physical form are required to submit their PAN and Bank Account details to the Company's RTA.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
18. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form should file their nomination with Company's Registrar and Share Transfer Agents whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant.
19. Members are requested to intimate to the Company, Queries if any, regarding the accounts or any matter at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the meeting. The queries may be addressed to E-mail: corporate@seya.in.
20. A Route Map showing directions to the venue of the 30<sup>th</sup> Annual General Meeting and nearby prominent landmark is given at the end of this Notice.
21. Transfer of Unclaimed dividend to Investor Education and Protection Fund:  
Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven years (from the date of transfer to Unclaimed Dividend Account) to the credit

of the Investor Education and Protection Fund ('the IEPF').

Members are requested to note the following due date(s) for claiming the unpaid / unclaimed dividend declared by the Company for the financial year 2015-16 and thereafter –

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2015-16	September 28, 2016	October 27, 2023
2016-17	September 27, 2017	October 26, 2024
2017-18	September 28, 2018	October 27, 2025
2018-19	September 27, 2019	October 26, 2026

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s), are requested to make their claim to RTA, well in advance of the above due dates.

Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special Demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). The dividend/shares, once transferred to the said Demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web from No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in)

## 22. Voting through electronic means:

In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Ltd (CDSL):

The remote e-voting period commences on Wednesday, December 23, 2020, (9:00 a.m. IST) and ends on Friday, December 25, 2020, (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Saturday, December 19, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on December 25, 2020. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on cut-off date i.e. December 19, 2020.

The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting.

The Process and manner for remote e-voting are as under:

- (i) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab
- (iii) Enter your user ID:
  - a. For CDSL: 16 Digits beneficiary ID;
  - b. For NSDL: 8 character DP ID followed by 8 digits client ID;
  - c. For Members holding shares in physical form please enter Folio Number registered with the Company, or
  - d. Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login

credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Enter the image verification as displayed and click on login.
- (v) If you are holding shares in electronic form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and e-voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user or if you are holding shares in Physical form, please follow the steps given below:

**PAN:**

Enter your 10-digit alpha numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) in the PAN Field.

Please note that Members who have not updated their PAN with the Company / Depository Participant are requested to use sequence number sent by Company / RTA or contact Company / RTA.

**Dividend Bank Details or Date of Birth:**

Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's Records in order to login.

If both the details are not recorded with depository or Company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii)

- (vii) After entering the above details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for **Seya Industries Ltd.**
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the set password, then enter the User ID and the Image verification Code and click on 'Forgot password' option and enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from app Store and the Windows Phone Store respectively. Please follow the instructions as promoted by the mobile app while voting on your mobile.

(xviii) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542)

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon, Fururex, Maftal Mall Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai -400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Please note that:

1. Mrs. Disha Shah (Membership No. ACS 46867) of M/s. Disha Shah & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting/ballot voting process in a fair and transparent manner.
2. Members would be able to cast their votes at the meeting through ballot paper, if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the members cannot exercise their voting rights at the AGM
3. The Scrutinizer shall after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any director or officer who may be authorised by the Chairman for this purpose.
4. The Results shall be declared on or after the meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.seya.in](http://www.seya.in) and on the website of CDSL and communicated to the Stock Exchanges.
5. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. Saturday, December 26, 2020.

By Order of the Board of Directors

**Seya Industries Ltd**

**Manisha Solanki**

Company Secretary and Compliance Officer  
Mumbai, November 14, 2020

T-14, MIDC Tarapur, Boisar, Dist. Palghar – 401 506

✉ : [corporate@seya.in](mailto:corporate@seya.in) 🌐 : [www.seya.in](http://www.seya.in)

**CIN:** L99999MH1990PLC058499

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

(Following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice)

**Item No. 3**

M/s. Anil Chauhan & Associates, Chartered Accountants, Statutory Auditor of the Company is shifting his operations abroad and has expressed his unwillingness to the Board of Directors of the Company ("the Board") to continue as Statutory Auditor of the Company with effect from ensuing Annual General Meeting. On recommendation of the Audit & Risk Management Committee ("the Committee"), appointment of M/s. S. S. Patwardhan & Co., Chartered Accountants, as the Statutory Auditors of the Company for a period of three years from the Conclusion of this AGM till the Conclusion of the 33rd AGM is proposed for the Consideration of the Meeting.

While considering the appointment of Statutory Auditors of the Company, the Committee considers various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's Operating segments, market standing of the firm, technical knowledge, etc. Accordingly, the Committee found M/s. S. S. Patwardhan & Co. reasonably suited to handle the scale, diversity and complexity associated with audit of financial statements of the Company.

M/s. S.S. Patwardhan & Co. have given their consent to act as the Auditors of the Company. The Confirmation of their appointment, if made, will be in accordance with the conditions prescribed under Section 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 3 of the Notice for approval by the shareholders.

**Item No. 4**

The Board of Directors of the Company on February 06, 2020 Mr. Ronen Joshi (DIN: 08167071) as an Additional Director of the Company with effect from February 06, 2020. In terms of Section 161(1) of the Act, Mr. Ronen Joshi holds office upto the date of this Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. Based on the recommendations of the NRC and subject to the approval of the Members, Mr. Joshi was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years commencing from February 06, 2020 to February 05, 2025, in accordance with the provisions of Section 149 read with Schedule IV of the Act. Mr. Joshi has consented to act as Director of the Company and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Mr. Joshi has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated June 20, 2018, issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, Mr. Joshi is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Joshi has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Joshi fulfills the conditions specified under the Act read with Rules thereunder and the Listing Regulations

for his appointment as Independent Non-Executive Director of the Company and is independent of the management. Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Joshi as an Independent Director. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members upto 30th AGM. Members who wish to inspect the same can send a request to the e-mail address of the Company

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable regulations, the appointment of Mr. Joshi as an Independent Director for five consecutive years commencing from February 06, 2020 is now placed for the approval of the Members by an Ordinary Resolution. Mr. Joshi would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where he is a Member.

The Board commends the Ordinary Resolution set out in Item No. 4 of the accompanying Notice for approval of the Members. This item being special business, is unavoidable in nature. Except Mr. Joshi, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice. Mr. Joshi is not related to any other Director or KMP of the Company.

**Item No. 5**

The Board of Directors of the Company on September 15, 2020 Mr. Amit Chandrakant Pandya (DIN: 08878579) as an Additional Director of the Company with effect from September 15, 2020. In terms of Section 161(1) of the Act, Mr. Amit Pandya holds office upto the date of this Annual General Meeting ('AGM') and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. Based on the recommendations of the NRC and subject to the approval of the Members, Mr. Pandya was also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years commencing from September 15, 2020 to September 14, 2025, in accordance with the provisions of Section 149 read with Schedule IV of the Act. Mr. Pandya has consented to act as Director of the Company and has given his declaration to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Mr. Pandya has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated June 20, 2018, issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, Mr. Pandya is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Pandya has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Pandya fulfills the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as Independent Non-Executive Director of the Company and is independent of the management.

Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Pandya as an Independent Director. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members upto the date of 30<sup>th</sup> AGM. Members who wish to inspect the same can send a request to the e-mail address of the Company

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the Listing Regulations and other applicable regulations, the appointment of Mr. Pandya as an Independent Director for five consecutive years commencing from September 15, 2020 is now placed for the approval of the Members by an Ordinary Resolution. Mr. Pandya would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof where he is a Member.

The Board commends the Ordinary Resolution set out in Item No.5 of the accompanying Notice for approval of the Members. this item being special business, is unavoidable in nature. Except Mr. Pandya, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice. Mr. Pandya is not related to any other Director or KMP of the Company.

#### **Item No. 6**

The Board of Directors of the Company on September 24, 2020 appointed Mr. Siva Prasad Rao Buddi (DIN: 08891339) as an Additional Director in category of Executive Director.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Rao shall hold office upto the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company.

Mr. Rao has done M. Tech (Chemical Engineering) with over 30 years of experience. He has been associated with the Company since last 17 years.

Your Director recommends the said Resolution for your Approval as an Ordinary Resolution.

Except Mr. Rao, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice. Mr. Rao is not related to any other Director or KMP of the Company.

#### **Item No. 7**

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules') to have the audits of its cost records conducted by a Cost Accountant in Practice. Further, in accordance with the provisions of Section 148 of the Act read with the rules, the remuneration payable to the cost Auditors has to be ratified by the Members of the Company.

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. M/s. Manish Shukla & Associates, Cost Accountants (Firm Registration No.101891) as the Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2021 at a remuneration of ₹ 75,000/- per annum plus applicable taxes and out of pocket expenses, if any.

Accordingly, consent of the Members of the Company is sought for ratifying the remuneration payable to the Cost Auditor of the Company for the financial year ending on March 31, 2021 by way of an Ordinary Resolution.

None of the Directors or KMP or relatives of Directors and KMP is concerned or interested in the resolution at item no. 7 of the accompanying Notice.

By Order of the Board of Directors

**Seya Industries Ltd**

**Manisha Solanki**

Company Secretary and Compliance Officer

Mumbai, November 14, 2020

T-14, MIDC Tarapur, Boisar, Dist. Palghar – 401 506

✉ : corporate@seya.in 🌐: www.seya.in

**CIN:** L99999MH1990PLC058499

**Details of Directors Seeking appointment / reappointment at the Annual General Meeting pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards -2 on the General Meeting:**

Name of the Director	Mr. Asit Kumar Bhowmik	Mr. Ronen Joshi	Mr. Amit Pandya	Mr. Sivaprasad Rao Buddi
Date of Birth	February 1, 1954	August 29, 1987	March 16, 1975	July 01, 1958
Age	66 Years	33 Years	45 Years	62 Years
Date of Appointment	April 2, 2011	February 06, 2020	September 15, 2020	September 24, 2020
Qualification	B. Tech (Chemical Engg.)	Chartered Accountant	Chartered Accountant	M. Tech (Chemical Engg.)
Expertise in specific functional areas	Overall Management of Chemical Manufacturing Plants, Projects, etc	Finance, Auditing and Accounting	Accounting & Finance, Valuation	Chemical Manufacturing & Process Management
Directorships in other public limited Companies held (excluding foreign Companies and Section 8 Companies)	None	None	None	None
Membership of Committees / Chairmanship in other public Limited Companies	None	None	None	None
No of Board Meeting Attended during the year	7	1	NA	NA
No. of Shares held in the Company	NIL	NIL	NIL	NIL



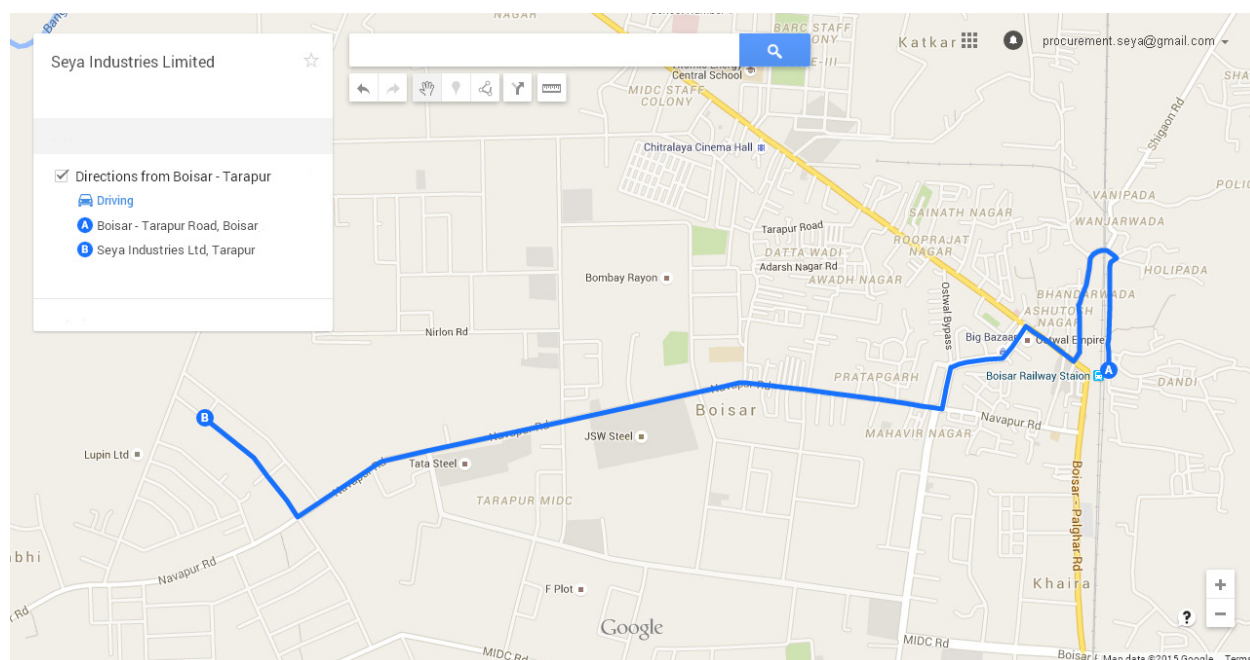
☎ 022-26732894 | 🖨 022-26732666, ✉ : info@seya.in, 🌐 : www.seya.in

Folio No.	DP ID No.	Client ID No.
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☎ 022-26732894 | 📠 022-26732666 | ✉ info@seva.in, 🌐 www.seva.in

4

## Route map to the venue of Annual General Meeting



I wish my above Proxy to vote in manner as indicated in the box below:

Resolutions	For *	Against *
<b>Ordinary Business</b>		
1. Receive, Consider and adopt Audited Financial Statements of the Company for the financial year ended on March 31, 2020, together with Reports of Board of Directors and Auditors thereon		
2. Re-Appointment of Mr. Asit Kumar Bhowmik (DIN: 03522132) who retires by rotation		
<b>Special Business</b>		
3. Appoint Statutory Auditors and fix their remuneration		
4. Appointment of Mr. Ronen Joshi (DIN: 08167071) as an Independent Director of the Company		
5. Appointment of Mr. Amit Chandrakant Pandya (DIN: 8878579) as an Independent Director of the Company		
6. Appointment of Mr. Siva Prasad Rao Buddi (DIN: 08891339) as an Executive Director of the Company		
7. Ratification of Remuneration to be paid to Cost Auditor for FY 2020-21		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2020

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

Affix  
Revenue  
Stamp

### NOTES:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the company.
- \*Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders shall be stated.



### **Corporate Office:**

B-12, Ghanshyam Chamber, 502,  
Link Road, Andheri West,  
Mumbai - 400053.  
Web: [www.seya.in](http://www.seya.in)  
Email: [info@seya.in](mailto:info@seya.in)

### **Registered Office:**

T-14 MIDC, Tarapur,  
Boisar - 401506 Palaghar  
CIN: L99999MH1990PLC058499  
BSE: 524324 | NSE: SEYAIND